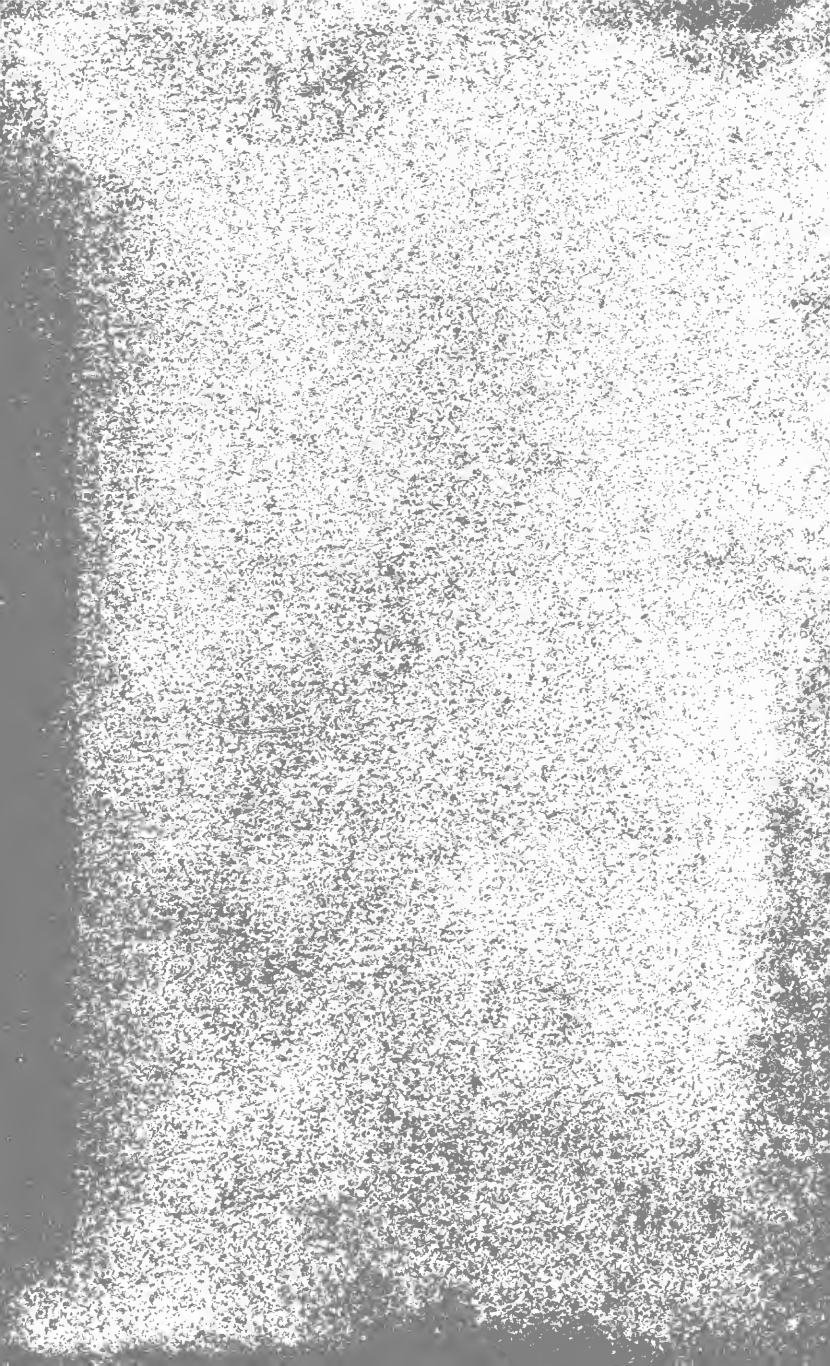


THE SOCIAL &
UNREST - its cause
& solution by J. Ramsay
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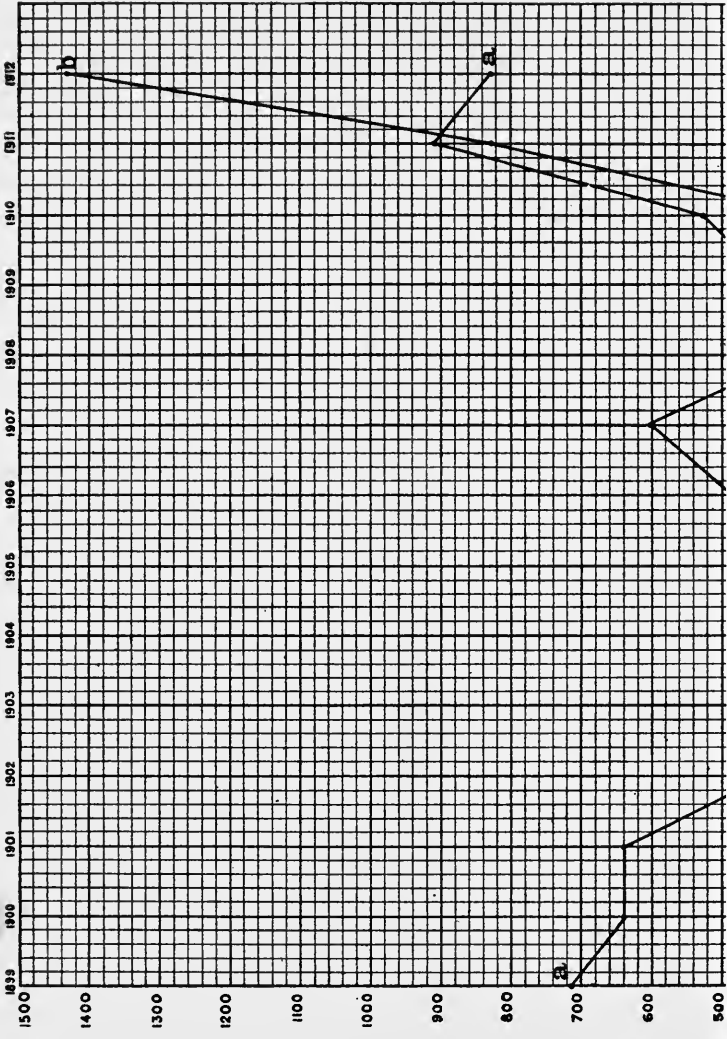
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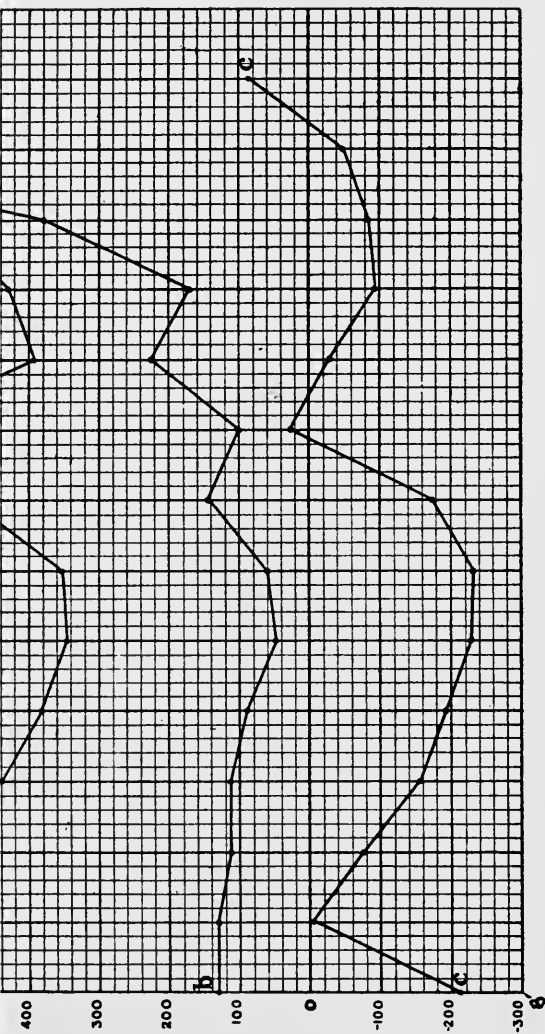
UNIFORM VOLUME

THE SERVILE STATE

BY HILAIRE BELLOC

DIAGRAM SHOWING THE SYMPATHETIC
RELATIONSHIP BETWEEN STRIKES AND
WAGES, 1899-1912





a indicates the number of strikes each year.

b, the number of persons, in thousands, affected by these strikes.

c, the annual increments and decrements in wages as shown by the figures of the Board of Trade, 1900 being taken as zero.

For general explanation of diagram, see page 73.

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THE
SOCIAL UNREST
ITS CAUSE & SOLUTION

BY

J. RAMSAY MACDONALD, M.P.

CHAIRMAN OF THE LABOUR PARTY IN THE HOUSE OF COMMONS

AUTHOR OF "LABOUR AND EMPIRE," "SOCIALISM"

T. N. FOULIS
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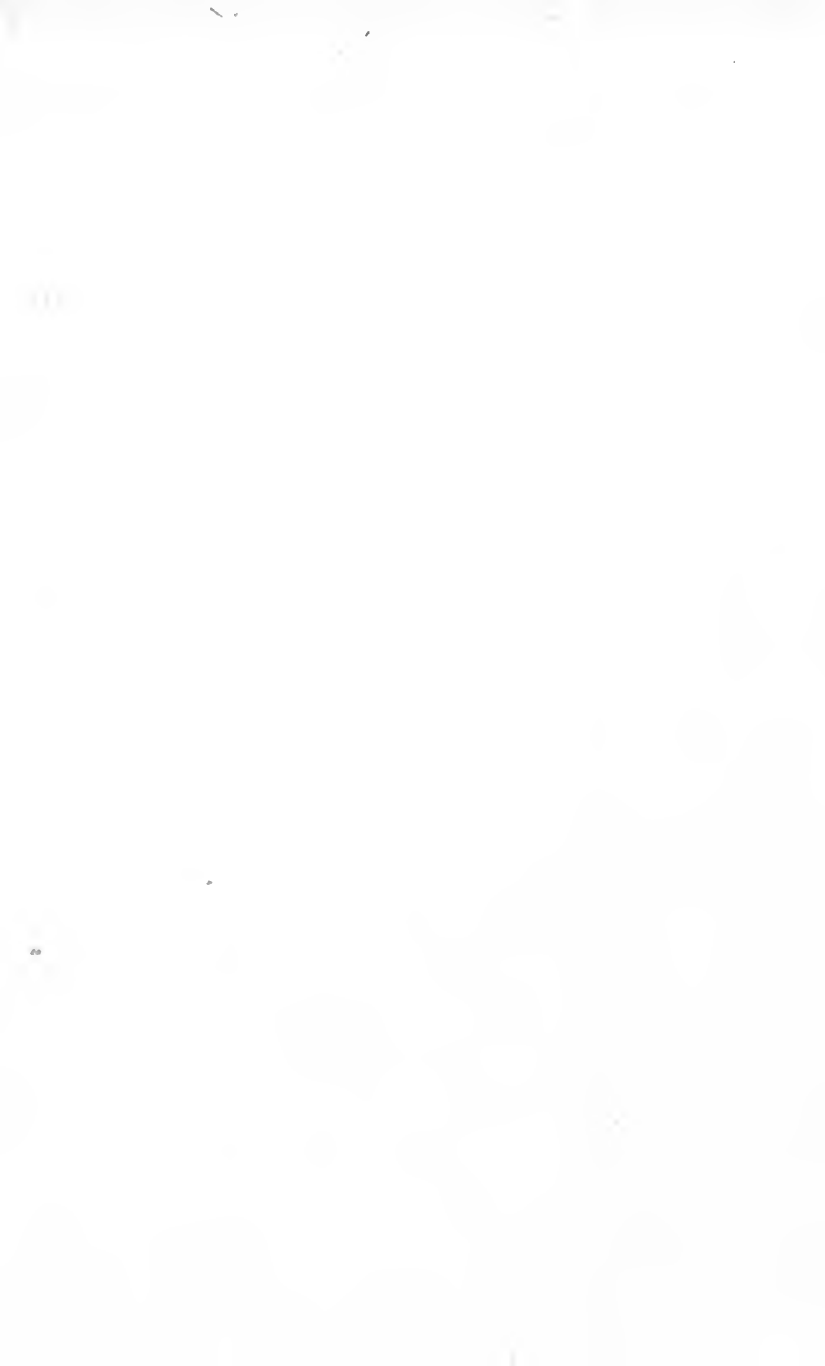
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INTRODUCTION



THE SOCIAL UNREST

ITS CAUSE AND SOLUTION I N T R O D U C T I O N

IN THE AUTUMN OF 1910 THERE COMMENCED a series of strikes which were so widespread and stirred the minds of the working classes so deeply that people began to talk of a general labour unrest. Real terror crept into the hearts of large sections of the public and loud clamour for displays of police and military force was made; the deep gulf of opposition between class and class was revealed in all its menace and repulsiveness; the antagonistic feeling of the well-to-do classes was openly displayed in the leading newspapers both by bitterly unfair comment and by misleading news; on several occasions, particularly during the short railway strike, we were on the brink of civil war; the ordinary work of Parliament was suspended again and again for the purpose of considering the industrial strife that was raging outside; legislation embodying new principles was passed hastily.

The signal for action was given in September, 1910, when the boilermakers and shipbuilders were locked out on account of a series of small strikes which had taken place owing to disputes about piece rates; next month the cotton operatives left work; in November a section of the South Wales miners struck on their own initiative, and this had a very disturb-

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ing effect upon organised labour all over the country; Northumberland and Durham were agitated by a re-adjustment of shifts and were blaming governments, employers, and their own leaders impartially. In 1910 more people were on strike than there had been since the miners' dispute of 1893, and the aggregate duration of the strikes was three times the average of the previous nine years. 1911 began with the printers' strike in London, and the first three months of the year were unsettled by the prolongation of these disputes; the spring and summer were marked by numerous minor strikes in widely separated districts and in various trades; in June the first transport strikes began and affairs entered a critical stage; the disaffection widened during July and August; in August the railway strike was declared; during the early winter months numerous local strikes broke out, and it began to be evident that a serious stoppage of work in the coal trade was imminent; in March 1912 the miners came out; in May the second transport strike in London took place. By then the unrest had exhausted itself for the time being.

Nor must we forget that the unrest was world-wide. The number of workpeople affected by strikes in Germany in 1910 was three times greater than in 1909, whilst the steadily increasing cost of living brought victory after victory to the Social Democrats at by-elections. Riots broke out in Berlin. In 1910 France

INTRODUCTION

was disturbed by great railway strikes which, in the early winter, led to M. Briand's general mobilisation order; and 1911 was little less disturbed than 1910, with strikes amongst marines, postmen, textile workers, taxi-cab drivers, and so on. Ministry after ministry fell; Syndicalism reached the acme of its power; dear food caused rioting, as in St Quentin. During these years Austria too was seething with discontent both political and social, and Vienna contributed its portion to the records of rioting which was taking place on the Continent. Maritime strikes occurred in Holland and Belgium. In purely political matters the same unsettlement was seen. The United States was swinging away from its old allegiance to the Republican Party; Portugal and China became republics; Spain was shaken throughout its borders, at one moment by religious strife, at the next by labour agitation. In our own Dominions, Australia was ruffled by bitter labour troubles and elected a Labour Government, and South Africa, too, was turning back towards racial strife. A breath of revolutionary life seemed to be passing over the world, and the established order in every land had to grapple with a restiveness which threatened its overthrow or kicked against its weight.

During these months of unsettlement the expression "labour unrest" was on everybody's lips. What was its significance? What were its causes? That I

THE SOCIAL UNREST

propose to discuss in this book, because, though the unrest seems now to have passed away like an earthquake shock, I believe that the evils from which it originated are still active in industrial society, that the volcanic forces are still very near the surface, and that, should circumstances arise, they will burst out into fury almost without warning.

I shall attempt to prove that the causes were moral and economic—moral, because workmen when treated as mere items in production must feel that their human rights are violated and must show resentment, and because wealth is more provocative in its display now than it has ever been before, and at the same time is less honourably won; economic, because changes in the markets of the world and in the relative strength of Capital and Labour have been tending to reduce working-class standards of living since the opening of this century. A mere condemnation of agitators, of Trade Unions, of strikes, in connection with these troubles is, therefore, not only a sign of ignorance, but is futile. It is Mrs Partington bemoaning the failure of her broom by reflections upon the devilish nature of the sea. Having examined the causes of these disturbances, I shall conclude by indicating the trend of opinion and of industrial and political change which, if followed out persistently and courageously, will substitute a human social order for an economic one, when there will be peace.

CHAPTER ONE
HISTORICAL



CHAPTER ONE HISTORICAL

LABOUR UNREST IS NOT A FEVER PECULIAR to these modern times. It is as old as society itself, and is seen in the emigrating and swarming of tribes from old to new settlements as well as in strike meetings of transport workers on Tower Hill. We see it in such agitations as that against foreign artisans which led to the colonising of Gower by Flemings in the reign of Henry I, in the ferments which led to the formation and then to the disruption of the craft guilds, in the riotousness which marked the growth of municipal freedom; and it bore no small part in movements which are generally regarded as being purely religious. Kicking against the pricks of poverty, of industrial change entailing a dislocation of old relationships, of economies in production causing for the time being a readjustment in labour, has been an every-day occurrence in our social life. But every now and again the protest has been delivered in revolutionary tones and these have been caught up and retained by history.

The first of these purely labour revolts was the rising of the peasants towards the end of the 14th century. Edward III was an imperialist, fond of war, pleasant in the external trappings of behaviour, a spendthrift of his nation's resources. In his reign wealth flaunted its tinsel—just as it does to-day. And it was ill-gotten and represented no real prize of the creative minds of the country—just also as it is to-day. Upon this,

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like a curse from heaven, came the Black Death in 1348, and a country being driven to poverty by extravagance was plunged into it by pestilence. Industry stood still. Hands were numb with fear or stiff in death. Cultivated fields returned to waste land, unclaimed sheep and oxen browsed from farm to farm, no one letting or hindering them. When at length the horror was lifted and courage returned to men's hearts, a new England had arisen. But the change had long been coming. The hired labourer had been put upon the fields instead of the villein, and the farm held on rental and not on a service tenure was becoming common. The pestilence put on the finishing touches and allowed the change to be seen. It brought the new economic order into full working, and the labourer was the first to benefit. The number of labourers was sadly diminished and consequently their market price rose. But they had to dispute for the higher fees, and, in addition, the social disintegration which followed the paralysis of the pestilence gave the sturdy tramp a dreaded reputation. Parliament, in sheer desperation and as a means of social security, proceeded to put the bit in the mouth of the workman and to deprive him of the advantage which his scarcity gave to him.

Then came the trouble. The labourer was not to be subjected without a protest. He starved, and his mind fermented for some years. The spirit and the

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flesh both awoke to goad him with their cravings. He saw visions and he prophesied as people always do when they have walked with the pestilence and have come to destitution by the hardness of their fellow-men. He fell back upon the simple, unsophisticated feelings of human nature and its conceptions of equality, and from mouth to mouth there passed such rhymes as :

“When Adam delved and Evë span,
Who was then the gentleman ?”

John Ball appeared, a type of the religious unrest, a spokesman for the “poor parson,” preaching a Christian fellowship through a social communism.

This economic and religious unrest was reinforced by a political agitation in the towns for enfranchisement from the control of superiors and for equality in citizenship. On the 5th of June 1381, Wat Tyler struck down the collector of poll-tax at Dartford, and the peasants of the South-East ran to arms. The Peasants' Revolt broke out.

A dislocation in the industrial habits of the people, high prices, oppressive taxation; wealth flaunted in the faces of the poor; the employment of lawyers to defeat simple claims of equity and fair dealing by legalism and the letter of the law and the bond; the employment of force and authority to suppress the claims of discontented humanity; the awakening of instinctive feelings of right and wrong by the stings

THE SOCIAL UNREST

of hardship and the resentment of baffled claims of equity, produced this 14th century revolt.* It was economic in its origin but not only economic, religious but not exclusively religious. It sprang from an awakened consciousness which stirred up the whole being of men and enlisted the support of every activity of their nature. Wycliffe cannot be explained without the Peasants' Revolt, nor the Peasants' Revolt without Wycliffe. Similar causes have been at the source of all similar uprisings.

The connection between moral movements and social revolts must not only not be overlooked, but must be emphasised. Every social grievance which is the cause of revolutionary agitation has to be transformed into moral feeling. Only when the spiritual stuff of humanity is injured does humanity fight for improvement. Men do not object with any effect to

* For instance, writing of the causes and substance of this Peasants' Revolt, Professor Oman says:

"The alien manufacturer was even more hated than the alien merchant; he was almost invariably a Fleming who had established himself in England, under the protection of the Government, to practise the woollen industry. Oblivious of the benefits of his presence, the English workman could only see in him a rival who was ruining native weavers. He was currently reputed to be a 'sweater,' an employer of cheap labour who under-sold honest English competitors by employing destitute aliens, women and children."—*The Political History of England*, iv. 32. How little alteration is required in these sentences to make them apply to some of the conditions from which the recent unrest originated!

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economic poverty pure and simple, they become furious about it because they think it unjust. The smithies in which the swords of the revolutionary agitators are tempered are not those where the economist works, but those where the moralist is. People leave an Egyptian bondage not merely because they have to make bricks without straw, but because they hope to possess a Promised Land. That is why the continued degradation of a people does not necessarily breed revolution, and, conversely, why improvement in physical comforts so often increases discontent. Man's creative, Utopia-building, aspiring faculty belongs to his intellect, not to his pocket. It uses impulses and appetites other than its own, and as it does not dwell in a world of pure spirit, it depends upon economic circumstances for its creative wrath and energy, but it is the "master hand," the controller, the agitator. It compels man to decline to live in a purely economic order. It will not tolerate a Society in which it has a subordinate place.

The Peasants' Revolt was partly crushed out with an iron heel and partly smoothed out by treachery, but the economic changes went on, jarring society, disturbing the popular mind and dividing classes. Geographical discovery, business enterprise, political peace, widened the circuit through which raw material flowed to the producer and the finished article found its way to the consumer. The capitalist mechanism

THE SOCIAL UNREST

displaced the military mechanism, and the tendency is best seen in the history of the woollen trade. A new opposition arose—an opposition between sheep and men. Sir Thomas More takes the place of William Langland, and the *Utopia* carries on the tale of the *Vision of Piers Plowman*. The third factor in modern production—Capital—was coming into being, and it was making room for itself by a revolution in the use of land which hit the hired labourer hard, for it was depriving him of his wages on the one hand, and on the other, barring him out from his commons, which were being enclosed for private use. The agitator, the religious prophet, the idealist, again appeared. The spirit and the flesh again moved in sympathy, and the years of change were times of social menace and unrest. Authority, in the shape of short-sighted legislation condemning the labourer to stand passively by whilst the flood of poverty rose up around him, tried to force peace. It failed, though, as More says, “thieves were hanged so fast that there were sometimes twenty on one gibbet”;* and because, again as More says, “not you only, but also the most part of the world, be like evil school-masters which be readier to beat than to teach their scholars. For great and horrible punishments be appointed for thieves, whereas, much rather, provision should have been made that there were some means whereby they

* *Utopia*, Introductory Discourse.

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might get their living." Indeed, our own Reformation was accompanied by something which, though enacted on a smaller scale, was of the same nature as the Peasants' War in Germany. "A 'revolution of the rich against the poor' is not a fair description of the Reformation. But it indicates with some approach to accuracy the economic development which preceded and accompanied religious change; and it is easier to see in the Reformation the outcome of social revolution than to discern in the social revolution the outcome of religious reformation."* "The real peril of the situation," writes Professor A. F. Pollard in the volume just quoted, was not the popular resistance to religious change, but "the social unrest which agitated most parts of the realm." The plunder of the Church lands, and the foundation of great houses like those of the Cecils and Cavendishes upon that plunder, decisively established the era of Capitalism in England, and fatally struck at the feudal relationships between man and master which did recognise that national interest had an authority superior to personal advantage. Kett, the tanner, stepped on the stage and played the rôle of Wat, the tiler; the usual bloodshed followed, and repressive authority once more won the day.

Then ensued a period of careful treatment of the poor by charity, regulation, and legislation, the last

* *Political History of England*, vi. 28.

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aiming at the suppression of poverty by, *inter alia*, land laws, laws affecting wages, and laws setting up workhouses—of the last the historical 43rd Elizabeth (1601) being the culmination. Capitalism was completing its grip, and the political agitations were caused more by the *nouveau riche* than by the “ancient lowly.” The social unrest of that time was the strife of those who, possessing economic power, were trying to become socially and politically enfranchised. It was the time when poor aristocrats made alliances with rich plebeians, and when a way was opened into the peerage—through commerce. The worker receded into the background of the social troubles which filled the pages of history, and his employer came into the foreground. A change had passed over England. The poor ceased to be revolutionary; the well-to-do took up that rôle. Poverty was less a cause of social unrest than of calculation regarding its causes, and experiment regarding its cure. It was not the essence of humanity claiming equality, but the pride of possession claiming rank and status, that agitated England then. Religion again energised both political thought and action, and certainly made part of the epoch magnificent.

Industrial pressure continued, however, to make itself felt. Capital was tightening its grip and moulding society by its needs; Labour was being concent-

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rated to be exploited; the economics of exploitation were being worked out. As early as 1720 the journey-men tailors of London combined to reduce hours and increase pay, and the State replied asserting its right to settle the conditions of industry and denying that right to the workmen themselves. Combinations of wage earners were, in consequence, rendered illegal, and the contest between Trade Unionism and the State began. But the most acute symptoms appeared when prices of food rose, especially when the evils of scarcity were augmented by the cupidity of monopolists. Where corn-dealers and bakers combined to force up prices, riots broke out. "There having been many riots," records the *Annual Register* for 1766,* "and much mischief done in different parts of England, in consequence of the rising of the poor, who have been driven to desperation and madness by the exorbitant prices of all manner of provisions, we shall . . . give a short abstract of these disturbances"; and it proceeds to tell of outbreaks in Bath, Berwick-on-Tweed, Malmesbury, Hampton (Gloucester), Leicester, Oxford, Exeter, Stroud, Salisbury, Wolverhampton, Coventry, Birmingham, Nottingham, and elsewhere.

But the coming of the great factories brought in the modern times and their characteristic agitations. The home industries, which Defoe describes in his

* pp. [137]-[140].

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journey through England, were destroyed. Industry migrated to certain favoured centres; the desire for cheap production wiped out of account considerations regarding human rights or humane treatment. The worker was a mere profit-maker, and when he ceased to be that, or when something cheaper—whether child, woman, or machine—came in the way, he was scrapped like a tool out of date. The Industrial Revolution did not bring Capitalism in its train, for the advance guards of Capitalism appeared in this country as early as the 13th or 14th centuries. But the application of complex mechanism to production made the machine-owners a definite class, and established on a much broader basis than heretofore a proletariat which depended for its life upon the employment given to it by others. The mass had no foothold on the earth except the very precarious one of wage-earning; when it fell, it was preserved from destruction only by the Poor Law.

Moreover, the latter part of the 18th century saw a series of rural changes which resembled those of which Sir Thomas More wrote two and a half centuries before. The market for agricultural produce was widening, further commons were being enclosed, and small proprietors swallowed up by large ones. The yeoman farmer was becoming the agricultural labourer; the labourer was being driven into the towns or across the seas; villages that depended upon com-

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mon land and field-labour decayed. The *Deserted Village* continued the story of *Piers Plowman* and the *Utopia*. Increasing prices also played their familiar part. The price of corn went up and rents rose with it. The general improvement in the condition of labour which marked the first three-quarters of the 18th century received not only a check but a decided back-set during the final quarter. By 1792 the condition of the English labourer was definitely on the down-grade. Real wages fell.* Hume wrote that in the twenty-eight years which had elapsed between the first publication of his *History* in 1786 and the writing of the sixth volume, prices had risen more than they had done during the previous hundred and fifty years. In 1819, Shelley wrote:

“No—in countries that are free
Such starvation cannot be
As in England now we see.”

“Labour everywhere failed to obtain remunerative employment.” † Population was increasing and was pressing against the then available supplies, limited as they were by tariffs and other artificial impediments; the new developments of Capitalism and the widening application of hard business methods, the war and bad harvests combining to produce a specially severe industrial crisis and depression, irritated the

* Lecky's *England in the Eighteenth Century*, vi. p. 205.

† Walpole, *History of England from 1815*, i. p. 416.

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masses and made them restive and dangerous. The bitterness in the hearts of the people was made all the more acute because their ills were the means of the prosperity of others. For the cornerer was again at work, making his fortune upon scarcity. The limited supplies which meant starvation to the people enriched the gamblers in food-stuffs. The wills of grocers, tallow-chandlers, and tradesmen, at the end of the 18th century, showed possessions amounting to what were then such conspicuous and substantial sums as £20,000 and £30,000, and the accumulations were owing to monopolies, "corners," speculations.* Merchants, not manufacturers, found these times most profitable.

And so came the revolutionary unrest of a century ago which agitated society from top to bottom and which shook the foundations of both Church and State. Parliament reflected the national concern for the growing discontent, but the governing mind was all in a muddle. Political turmoil added to the confusion of the authorities and the menace of the unrest. First the war with America and then the French Revolution had stirred up the poorer classes and had taught them not only to demand liberty but to blame their political bondage for their poverty. The classes in power used their authority to fill their own pockets, as the Corn Laws showed. Political enthusiasm and

* Lecky, *England in the Eighteenth Century*, vi. p. 187.

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gnawing poverty form a very explosive compound, and there was plenty of it in every town from Inverness to London, and Manchester to Norwich, at the close of the 18th century. Food riots were everywhere; incendiary fires blazed like beacons over the land. "Labour was engaged in one universal revolt against the conditions of its employment."* Kay, the inventor of the flying shuttle, had to seek safety from molestation in Paris; machine-smashing was general; Ned Ludd wrote his name in our social history. Spa Fields, the Blanketeers, Peterloo, the battle of Bonnymuir, repeated the Peasants' Revolt. Reaction, with its chosen weapon of repression, swept reform off its feet. The combination of political agitation and industrial unrest was stifled by the force of authority and the conservatism of the social organism, and, as happened before, calm slowly settled down through anger, terror, and strife. The opportunity for confining the operations of Capitalism within social limits was lost, and the people were thrust down into misery. The new industrial conditions became a social habit and were accepted.

The excessive violence of the French Revolution saved our governing classes. The frenzy of France became the terror of England. The reaction which is the shadow of excess appeared. On the purely social side of its activities the Government did next

* Walpole, *op. cit.*, i. p. 425.

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to nothing. It declared against the regulation of wages by justices whilst it struck at combinations of workmen in its fright. It fell back upon the Poor Law, upon doles, upon relief for distress.

A quarter of a century elapsed and similar conditions again produced similar results. The years had not obliterated the misery of the people, but had settled it as a yoke upon their necks. Some of them never ceased to feel its weight and its pain, but the mass seemed to accept it, and became degraded under it. Owenism, however, flushed the horizon with alluring promises of a new day. A depression in the condition of the people which began in 1837, disappointment with the Reform Act and the Reformed Parliament, the spur of the new Poor Law, once more made unrest general. Chartism became a menace. The wealthy again saw society tottering to a downfall and called for repression. Once more the old familiar circumstances were present. As Stephens stated at the great meeting at Kersal Moor, universal suffrage was "a knife and fork question." Industrial discontent and political agitation were mixed up. "We shall get the land only if we get the Charter," the Chartists sang. Religious fervour was also roused, for the secularist movement which kept company with Chartism was indeed caused by the Church's desertion of Christian ethics. The Church rejected Christianity, and the working-class leaders rejected the Church.

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In some places the Chartists started churches of their own as the Labour Movement had to do later. Indeed, those unrests of the masses have never been anti-religious although they have generally been anti-Church or anti-clerical.

Chartism was very badly served by its leaders. It is an outstanding example of the inevitable failure of mere demonstration as a means of gaining substantial success. In the end it too was crushed out, the bitterness of John Barton being but typical of what was in the minds of thousands of broken men of the time: "As long as I live I shall curse them as so cruelly refused to hear us: but I'll speak of it no more." Then prices fell, and even if wages did not rise, their purchasing power increased considerably, so that the condition of the people improved. That made the doleful prophets of revolution in England like Marx and Engels false seers.* The effect of abolishing the Corn Law and of freeing from taxation most of the necessities of life, together with an enormous expansion of trade and an increasing power of combined labour to settle the conditions under which men work, was to ease matters for the great mass of the workmen—especially the artisans,—and unrest flowed through somewhat narrower channels than heretofore. Its flood broke up into many streams. It became local, or

* Cf. Engels' *Condition of the Working Class in England* in 1844.

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it affected a trade only, or part of a trade; it assumed the nature of a strike, agitated not by general grievances but stiffened by specific ones. Men were not then stirred to the very roots of their being by their unrest. No new literature, no religious revival responded to the agitation. It was too narrow and not deep enough for that. That brings us down to our own day.

This hurried glance over the pages of our history shows why unrest has marked every stage in national enlightenment and progress—has whistled like a gale round the Renaissance and the Industrial Revolution alike. Our special problems of to-day have arisen from the State's failure in the 18th century to understand the nature of the industrial changes then taking place. Every new generation since then has started with its inheritance of malnutrition, of physical and mental handicap, of social limitations. A hundred years have passed, and the State has had to look on whilst the whirlpool of unregulated competition has swept into itself, and engulfed, the human life which we are at last trying to rescue.* Again and again unrest has menaced it; again and again the frightened wail of the classes has pleaded for soldiers, for riot

* I am not unmindful, in writing thus, of what has been done. But we are only beginning to understand the real nature of the problem and to see that its solution is to demand economic activities on the part of the State of which the leading statesmen and the political parties of the 19th century never dreamt.

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acts, for sentences, for repression, and has complained of agitators and agitations whilst maintaining the very conditions from which both spring. Nowadays, the revolts of olden time and their leaders, in spite of their being handed down to us described by prejudice in the main, are having some measure of fair play meted out to them. The intelligent school-boy who reads Green's *History of the English People* can do more justice to Wat Tyler than the intelligent middle-class person, who reads at breakfast one of our ordinary respectable morning newspapers, can to a labour leader who is still alive and speaking. One often hears the complaint that the historical sense of our people is lacking ; in matters pertaining to labour and its unrest their political sense is still more meagre.

CHAPTER TWO
THE UNREST
I. MORAL CAUSES



THE UNREST: I. MORAL CAUSES

I HAVE SAID THAT THERE CAN BE NO great popular movement without a moral or idealistic purpose, and after many years that purpose again became clear as last century was closing. By 1880 a new working-class movement was showing itself. Trade Unionism seemed to be nearing the end of its successes as a purely industrial force, and its older leaders were finding that their place and authority were challenged. The chief change that marked the new movement on the surface was that industrial politics was not only interesting old parties as it had never interested them before, but was beginning to influence Trade Union policy. The House of Commons was concerning itself more intimately with the outgoing and incoming of the common man; the contention of the Chartist that there was an essential connection between poverty and a lack of political authority was revived; a third generation of wage-earners was easily persuaded that men who paid low wages and fought their work-people on industrial matters could not be, whatever their professions were, the political champions of the wage-earners; the impossibility of building partitions between industrial and political instincts, interests, and prejudices was being urged, and the argument that employers could represent their work-people's interests in Parliament was being weakened in consequence; both the spirit

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and the organisation of a working-class party in politics were appearing. And the old industrial combinations—the Trade Unions—were the fields where the new movement at once found its sustenance and established its grip. The Unions were no longer content to fight employers in the workshops, to bargain about wages, to limit the number of apprentices, and such things. They began to conceive of a new economic state of society; they discovered the need of political action. The field of their activities widened; they became aware that the grievances they had been trying to remove were social, and belonged to a system. They were the products of society as it was constituted and could not, therefore, be redressed within that society. They called for its fundamental alteration. The quest for Utopias was begun anew. This drove them out of their ruts, magnified the importance of their work, brought them into touch with social idealism, refreshed them with moral enthusiasm. There was no breaking away from the past. At no moment could one say: "Henceforth we have to face new conditions." The revolution—for revolution it was—was gradual and natural. The organisation of Capitalism was changing, and that of Labour had to change with it. The contest was being better organised on both sides; it was covering an ever-widening field of action; to perform its original functions labour combination had to engage in new work and

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redistribute its activities.

Two circumstances are of importance in this evolution. The first is, that for the wider activities new conceptions of ultimate ends were necessary. The second is a consequence of the first: the Unions at last looked to the State as an ally. Previously they had confined themselves almost exclusively (though never wholly) to the workshops. They had proudly confessed that they had no politics. The composition of the legislature was outside their concern. When they desired legislation, they simply sent deputations to London to haunt the lobbies of the House of Commons and waylay members of Parliament whose majorities depended on working-class votes. That was the rule and the common practice. Even at that time, however, some of them, particularly the miners, sought to be represented in Parliament by their own members. But these members were not Labour in the sense that they represented labour principles and that in the House of Commons they were carrying out a policy of labour advance.* They were Labour only in the sense that their status had been that of workmen, but as political leaders they were exponents of the principles of either Liberalism or Conservatism. This distinction is of fundamental importance, though it

* Immediately after the workmen in boroughs were enfranchised a systematic attempt was made by Trade Unionists to create a Labour Party, but it died away.

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is generally overlooked.

When Trade Unionism found that Parliament was to interfere more and more with industrial conditions and that the economic problems, with which alone the Unions had hitherto dealt, were to become the subject of legislation, they came to regard it as an essential part of their work to be represented in the legislature, and they proceeded to elaborate the provisions which they had previously made for that purpose. This meant that their claims had to find justification in wider and deeper sentiments than, for instance, that the workman was entitled to get as high a price for his labour as he could wring out of an unsympathetic employer. Struggling labour had once more to find a justifying ethic. It had to make its programme from national issues; it had to elaborate the reforms for which it asked on its own account into changes which were necessary in the interest of the State; it had to base itself upon broad historical and ethical foundations. Thus "Labour" in politics had to mean, not a party of working men, but a party of those who agreed upon a certain policy which, though devised originally to meet working-class needs, had as its clearly seen aim a greatly improved readjustment of human relationships. So Labour having become political built its Utopia with the stone and lime of Socialist idealism. The justice which Capitalism denied found a dwelling-place in

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the Co-operative Commonwealth. The mere conflicts of class which begin and end with controversies about wages, hours, and workshop management, were transformed and transfigured by the ethical idealism of Socialism. The idealism was simple in its outlines. It did not take into account the complexities and conservatisms of the social organisation ; it was in fact critical, rather than constructive in its activities ; it was of the nature of the alluring myth which stirs up the souls of men and enables them to endure hardship for the sake of their dreams. But it appealed directly to the hearts of the common folk and made them say of the world of their experience: "I saw under the sun in the place of judgment that wickedness was there, and in the place of righteousness that wickedness was there." It also made them see a state with "servants upon horses, and princes walking as servants upon the earth." Then they became unhappy and set out upon a new political pilgrimage. And all this happened, not because they were covetous, or greedy, or envious, or wicked, but because they felt they were wronged.

That is the moral significance of Socialism both as a criticism of society and as a guiding impulse making for social change. During the past generation the relations between the working classes and the rest of society have not improved. It is true that real wages have risen and the standard of life has been ad-

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vanced.* But this has only liberated the workmen's intelligence, for it has taken place alongside a far greater expansion of wealth and has been accompanied by a widening of working-class horizons owing to education, the spread of scientific thought, and the teaching of Socialist economics. Under such circumstances, higher standards of life meant higher standards of demand, and the whole plan of society was challenged by an idealistic intelligence.

And that intelligence was far better trained than ever it had been before. It understood matters. The Board School and Labour political propaganda were producing fruits in an enlightened and emboldened working class. It could argue about wages, profits, rents; about the production and distribution of wealth; about the relative values of various classes in the community. It was challenging with great success time-worn views of social interdependence with the rich at the top, and ancient notions of workshop management with Labour as a mere convenience for Capital. Its reading and its interests for the greater part of a generation had been concerned with economics, and the conclusion to which it had come was that poverty was unnecessary and that those who were doing the real work of the world were not being paid

* Bowley, *Wages in the United Kingdom*: "It is better to say that money wages in the nineties were ten per cent. above those of the eighties, and thirty per cent. above those of the sixties" (p. 126).

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enough to enable them to enjoy a reasonable standard of life. When an increase in the difficulties of life came with increased prices and lowered wages, an explosion had to follow.

The education and experience of the workman had led him to discover many economic flaws in society, and he challenged it. But there was something more that was wrong. Society was not merely a poor inefficient thing, it was an irritating vicious thing. It was no longer an aristocracy rich in historical colour and record; it was no longer a plutocracy retaining its connections with the working classes from which it came; it was not even a society of personal responsible power, for its economic authority was no longer exercised by the owners of its capital, but by their agents acting as estate managers do for absentee landlords. In ratio to the total volume of business and of working-class experience, the private employer using his own capital had shrunk up into a small compass. The age of the financier had come and, consequently, wealth was held without responsibility; it was in the hands of those who neither by their culture and their public services, nor their industrial merits, could command respect. And yet because the exigencies of the time had swamped every social distinction under the flood of that wealth, the rich—gathered from all quarters of the earth, from American millionaires seeking vainglorious that a re-

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public could not offer, to the scum of the earth which possessed itself of gold in the gutters of the Johannesburg market-place—received the homage of every dignitary in society. To the drawing-rooms and into the families of the ancient aristocracy, as to the Parliament of the people, they bought their way.

The human spirit which is moved by the instinct of equality and social responsibility vanished. Class offensiveness became the rule. The upstart classes instinctively felt that their lack of real "class" distinction had to be made up by a Byzantine display of vulgarity and extravagance in lives unblessed by social effort or unselfish sacrifice. The flaunting of wealth met you in every street, in every public place, from the church to the music-hall. Parallels made between our society and that of decaying Rome became common and were amply justified. The one possession of the new aristocracy—cash—which distinguished it from the rest of society was made the predominating social distinction. The decay of good-breeding and clean, serious living was everywhere apparent, from Turkey trots to lounging in golf clubs. You went out to dine where of old you spent a quiet evening in pleasant conversation, and, behold, you were hurried through the peaceful after-dinner smoke and rushed to a card-table to gamble the rest of the night. When you declined, you knew you were but an encumbrance, and you departed as quickly as pos-

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sible, never to return. Women, in particular, caught the new pursuit, and during rubber and other gambling booms freely used social influence to add to their ability to spend lavishly. Wealth thus got must always be displayed in order to give satisfaction to its holders. The classes—the sections which set the tone to society, which control the press, which are known sometimes as the governing sections, which lead in the fashions and set the standard of living not only for the richer strata but for those below them who look up to them—were no longer one's "betters." They were not only separated from the masses by divisions which belonged to social geography, but by instinct and by their active interests. In spirit they were a mixed race, a cross breed between what was old and cultured and what was new and tailored, and, like all such, were unhappy in a world in which they had no pure historical parentage. Nobody held them in genuine respect or honour. Both the dwindling aristocracy and the working classes really despised them. Unlike a true aristocracy, they were not a natural conservative influence in society; they did not command the moral respect which tones down class hatreds, nor the intellectual respect which preserves a sense of equality even under a régime of considerable social differences, nor even the commercial respect which recognises obligation to great wealth fairly earned. The sentiment of "respect" has often

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enough been subversive to the State, but that it corresponds to real instincts in the human mind cannot be denied; the danger that lies in it is that it is so easily perverted towards unworthy objects. Our new classes, however, were too gross even to try and found themselves on these feelings. Brutally they stood upon their material possessions; they displayed class-hatred in order to claim a place in the upper grades of society; they sundered the human bonds which ran vertically through society uniting men of different grades together. In the hearts of men this opposition grew and it sheltered contempt and the other passions which rive society apart. This was the moral weakness of society. It was particularly unfortunate, because the unrest which was coming was peculiarly liable to sink into an angry class conflict, and this kind of society was unprotected against such an attack.

Whilst this moral deterioration was proceeding, its evil effects were being augmented by the pressure of economic circumstance. Business keenness was hardening the relations between Capital and Labour. Trade was no longer carried on between men who respected each other: the relationship of "master" and "servant" was sought to be imposed. The agent for other people's money is a hard task-master; he is also a somewhat unscrupulous profit-maker who seeks to dominate in his own interests the society in which

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he lives. Hence, when Capital made concessions to Labour it boasted that they cost it nothing. When wages went up, the costs of the articles affected went up still more to the consumer. When railway companies could no longer—because of public opinion—pay about 95,000 of their employees less than £1 per week,* they raised fares and rates out of all proportion to the enhanced cost of labour;† when the charges upon coal-getting went up owing to legislation affecting hours and wages, certainly by not more than 6d. or 8d. per ton, the price of coal to the consumer was raised by between 2s. 6d. and 4s. a ton.

* “Of the total number of adult workmen employed [on railways] in England and Wales over 72,000 (or 23 per cent.), of those employed in Scotland nearly 12,000 (or 30 per cent.), and of those employed in Ireland between 10,000 and 11,000 (or 71 per cent.) were rated at less than 20 shillings a week.”—*Report of Board of Trade on the Earnings and Hours of Labour of Workpeople of the United Kingdom*, vol. vii.

† We are only beginning to know what burdens the railway companies are imposing on the public as compensation for the increases in wages conceded since the strike of 1912. An apparently well-informed contributor writing in the *Daily Citizen* on the 14th May 1913, estimates, using figures published by the *Statist* as his basis, that the workers have received £1,000,000 per annum “as the increase due to the strike settlement.” To recoup themselves the railway companies have announced their intention to advance merchandise rates by 4 per cent. The Scottish lines have advanced passenger rates by 5 per cent. and the English lines by varying amounts. These advances, the contributor calculates, will mean an increase in income of £2,200,000, and that does not take into account possible advances in mineral rates.

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Labour baffled in this way becomes irritated. It feels that a colossal swindle is being worked upon it and that nothing can protect it against the fraud. Its sense of unity with other sections of society is obliterated, and with that goes its reliance upon social justice. It comes to think of society as two opposing camps, as two hostile armies, in a state of perpetual economic civil war, the rules of which are those of economic force only.

The same feeling is pressed in on Labour from other quarters. A note, sometimes pathetic but often angry, is struck in all the complaints of the poor men which were made during the early outbursts of unrest to which I have referred in a previous chapter. The lawyer uses his brains against the poor so that things which appear obvious and inevitable to the common intelligence are made to be something quite different when a subtile intelligence has used them as its toys. Agreements come to between employers and employed—like the railway conciliation agreements—instead of being interpreted in a simple and straightforward way, are twisted into unexpected meanings by subtile brains, and the workman is left to scratch his head in wonderment as to whether he is dreaming. He finds that advances are no advances, and that victories are defeats. He is baffled in his general intelligence. He is tempted in consequence to give up every faith in despair and fall back upon the primitive impulses

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of the battle-field and fight in a blind way against the conditions which madden him. The goad of his own impotence pricks with bitter pain the soul of the proud workman.

Two special events wrought deadly havoc with the workman. The first was the Taff Vale decision, and the next was the Osborne judgment. He believed that neither was possible. He had been informed that the law on both points was clear and on his side, but he found that his assurances and assumptions were wrong. Within a few years he was told, first of all that he could not collectively take any effective industrial action against his employers (the practical meaning of the Taff Vale judgment), and then that he could not take any effective political action to protect his interests (the Osborne judgment). He read the judgments given, especially in the latter case. He found them contradictory; he found historical references made to himself in them to be inaccurate (for instance, for forty years he had been helping through his Unions to send men to the House of Commons, but he was gravely informed by one of the House of Lords judges that he had not); he found that the judges sought to impose a kind of political conduct upon him which other political parties did not, and could not, follow. He concluded that this was a political blow struck at him and not a legal decision. All this meant that he began to think as

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an outlaw. The hand of society was lifted up against him. Those in authority over him were using their civil powers to prevent him from improving his lot; they were twisting and twining bonds spun from the fine fibres of their intellects to bind him like a captive Samson. He looked at his fist and felt his muscles. These, in any event, he still had. And he had the power of organised numbers. So he struck. He was ready to lay his giant hands upon the pillars of the house where the Philistines made merry over his weakness.

To throw further light upon his mind and to illustrate and emphasise the contentions advanced in this chapter, I shall refer to another experience. In 1907, the railway servants organised themselves to obtain better conditions in all the grades of railway work, particularly increases of wages which were disgracefully low and reductions in hours of labour which were as disgracefully high. The companies declined to meet the men's representatives, and by a ballot of the Unions a strike was decided upon. Everything was favourable to the men. Their demands were definite and reasonable, and the companies were taken at a disadvantage. Peace was secured, however, by Board of Trade pressure in favour of a proposal to set up Conciliation Boards. No sooner was that done than the companies set about placing every conceivable impediment in the way of the smooth working

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of the Boards. There was delay in bringing grievances before them, disputes as to their jurisdiction, squabbles over the precise meaning of the awards given, above all no substantial grievances were redressed. Within a year of their establishment it was apparent that they would not run the seven years provided for in the agreement. Discontent became universal. A sectional strike in Liverpool which began on the 5th of August, 1912, precipitated matters. Every railway centre voiced its special discontent. The demands were not co-ordinated and formulated into a national programme. There was no time for that, and the feeling was far too strong for the strike to be kept back. The rules of the Union, which provided that a ballot must precede a strike, could not be put into operation. Agitated and angry feeling demanded instant action. Life on great occasions sweeps formalism into the background. On Thursday the 17th August, the men came out, and when we had to face proposals for a settlement, we found that the only points common to every district were dissatisfaction with the way the Conciliation Boards had been worked, and a demand (never made precise as to its meaning) that the Unions should be "recognised" by the companies.

Here we had a general state of unrest to begin with, caused by a general system of oppression and sharp practice. It was a revolt of men against masters, be-

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caused the relationship between railway directors, managers, and superintendents on the one hand, and the men on the other, was not human at all, but merely a relationship between owners and property, between subtle and resourceful intellect and solid common-sense notions of fair-play. True, there existed economic and industrial grievances such as that which I have mentioned, but the real cause of the trouble and the factor which gave it its special characteristics was that the companies had forfeited the confidence of the men that any reasonable grievance would be redressed or that straightforward dealing would be shown to them. The breakdown took place in the realm of morals more disastrously than in that of economics. That was the situation which those who had a hand in the settlement had to face; it was that that gave us our difficulties; it was that that determined the lines upon which the settlement was made. The agreement of 1907 led only to further trouble, because it settled nothing. It failed to secure the honest co-operation of the companies. The agreement of 1911 involved more honest co-operation on the part of the companies, and so it settled something. Wages were increased and hours reduced to some extent.

But even then, the sinister conduct which had made all the mischief was continued, and certain events, which have happened since, bid fair to revive the evil

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conditions from which the unrest which culminated in 1911 sprang. As I write this chapter the Executive of the Railway Servants' Union is drawing the attention of the Board of Trade to a series of dismissals and punishments on one of our chief railways for acts that are so trivial in themselves that the only inference which apparently can be drawn from them is that someone in authority is punishing men for the offence of being active Trade Unionists.* A day porter is degraded permanently because some luggage is delayed, though it has been proved that he was not responsible; another is suspended because he cannot perform duties given to him by two independent foremen at the same time and because he asked for his usual supper-hour; men interfered with in their usual work are accused of trivial offences against those who interfere with them, and are dismissed; in violation of the terms of settlement which ended the strike, unionists are not advanced when vacancies take place, and non-unionists are promoted over their heads; accusations of theft, proved to have been false, are made and the accused dismissed; certain men have not been

* It is interesting to note that the same thing is happening in Australia and will increase if the Unions do not strike against it. The miners' strike in the spring of 1913 was caused, in the main, by the dismissal of a Union official, Russell by name, by a mine manager. A judge was appointed to inquire into the facts, and reported that Russell was innocent of the charge laid against him. The manager, however, refused to reinstate Russell. Our railway companies have behaved better than that.

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paid their usual advances in wages and others are being paid less than colleagues employed at exactly the same work and having exactly the same qualifications; unexplained dismissals and degradations are taking place. In every case the victims of this policy are members of their Union. Who can wonder that unrest is spreading again and that there are rumours of fresh troubles passing up and down the railways? Men are being goaded into revolt; they are prevented from settling down; their desire to remain quiet and to assume that their employers mean to observe bargains and treat them fairly is being beaten out of them; they are being compelled to revolt.

Now, some months having passed between the writing of this chapter and the sending of it to the press, we have had the Knox and Richardson cases, and the Chappell case is threatening. How can there be peace whilst men are treated so unfairly and with so little diplomatic consideration? The price of peace under such circumstances is the degradation of men to that sub-human level where they show the mechanical acquiescence of mere slaves. And I repeat, the damage done by these experiences is not to a few men, nor to one Trade Union. They unsettle the minds of the mass of workmen; they destroy confidence; they lead not only to strikes but to a condition of general unrest.

CHAPTER THREE
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WHILST THE HEAVY BLOWS DESCRIBED in the last chapter were being struck at the confidence which the workmen had in social justice, the economic movement was equally adverse to peace. New ideas of social justice and worth had unsettled the sensitive thinking minority, and an intensified struggle for life had stirred up the more passive crowds. The unrest was therefore not the discontent of the hard-hit workman, but was general amongst wage-earners.

Up to the end of the century real wages were rising, if slowly, and the growth of social idealism was not being forced into revolutionary channels. It was nothing but a pressure of an organic nature which was transforming general public opinion, and was showing itself mainly in changes of political programmes. Both Liberalism and Conservatism were responding to it, each in its appropriate style, and were appealing on new issues for the support of the electors. But with the ending of the South African War a change came. Whilst the share of labour in the national income was reduced and prices were rising, the share of rent, interest, and salaries was enormously increased. A few figures taken from the Annual Reports of the Commissioners of Inland Revenue * will make that

* *Blue Book*, Cd. 6344, 1912, p. 101. It must be noted that these increases are partly due to greater vigilance on the part of the collectors—but only partly.

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clear. The gross amounts of income brought under review of this department for income-tax purposes from 1901-02 are as follows:

1901-02	£ 867,000,000
1902-03	£ 879,000,000
1903-04	£ 902,750,000
1904-05	£ 912,000,000
1905-06	£ 925,000,000
1906-07	£ 943,700,000
1907-08	£ 980,000,000
1908-09	£ 1,010,000,000
1909-10	£ 1,011,000,000
1910-11	£ 1,045,000,000
1911-12	not available, but the increase is again substantial.

This shows an increase in the incomes, upon which the Inland Revenue Commissioners keep an eye, of just over 20 per cent. in the period. Some of the minuter details of the tables are of considerable importance. For instance, the profits from the ownership of lands and houses have gone up from £238,232,000 to £275,823,000, or just short of 16 per cent.; the profits from businesses, professions, and employments were, at the beginning of the period, £487,731,000, and at the end £583,312,000, or just on the margin of 20 per cent. Of this sum £301,800,000 has to be assigned to limited liability companies, and is a measure

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of how much of our industry is carried on by "agents of investors," with results to which reference has already been made. The general impression of national prosperity conveyed by this table of progress in wealth accumulation is borne out by other considerations. For instance, during 1911-12 no fewer than 2044 estates of the value of over £20,000 were dealt with by the Inland Revenue owing to the death of their owners, and no fewer than 315 were over £100,000 in value. The gross capital value of all estates liable to estate duty that year was £308,280,767. The number of persons with assessed annual incomes of £2000 and over was not less than 3859—some-what less, I make bold to say, than it actually is. The final figures relating to the supertax cannot be given, but the Commissioners say: "The number of cases actually assessed for the year 1909-10 is now 10,976, and it is probable that the ultimate total will reach 11,250. The yield of the duty for the year 1909-10 is, so far, £2,575,000. For the year 1910-11 the Commissioners have, up to the present, received 10,966 returns disclosing liability to the supertax, the aggregate income shown being £135,739,172."*

Whatever lessons and deductions may be drawn from these figures, they certainly display a colossal national wealth, and, I repeat, the mere fact of the existence of such wealth is reinforced in its influence as

* *Report*, 1912, p. 140.

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an unsettling factor on the masses of the people by the way it is displayed and the kind of people who own it.

Now, let me turn to the other side, the side of wages, and again let me begin by giving summary figures of the movements in aggregate wages per week as published by the Board of Trade:*

1901	-£76,587
1902	-£72,595
1903	-£38,327
1904	-£39,230
1905	-£2,169
1906	+£57,897
1907	+£200,912
1908	-£59,171
1909	-£68,922
1910	+£14,534
1911	+£34,578
1912	+£131,611

The total of the decreases up to the beginning of 1911 shown above surmounts that of the increases by £50,000, so that the annual payment made to the groups of workers covered by this table was less than it was at the beginning of the century by £2,500,000.†

* *Report on Changes in Rates of Wages and Hours of Work*, Cd. 6471, 1912.

† Up to the beginning of 1910, when the unrest was gathering, the weekly loss had been nearly £100,000 per week, so that the drop in annual wages incomes was £5,000,000.

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Bad as this is, three important considerations make it worse still. The first is the distribution of the increases, the second is the actual wages paid, and the third is the lowered purchasing power of the sovereign. Of the gross increase in 1907, £173,613 went to the miners alone, and just half of the increase in 1906 as well. Of the increase in 1911, three-fifths went to the engineering and shipbuilding trades, and half of that again went to the engineers alone. In fact, these improvements have been confined, in the main, to a few of the major industries of the country. Only on sporadic occasions, and generally as the result of strikes or threatening agitations, have the wages of those engaged in the minor trades been raised. It may be assumed that the great mass of the workpeople outside the better organised trades have not been able to obtain any rise in wages. This is borne out by the report from which I have been quoting. It says: *
“ The number of workpeople reported to the Department as affected by changes in wages in 1911 was 916,366. Of these, 507,207 received increases amounting to £46,247 per week, and 399,362 sustained decreases amounting to £11,669 per week, whilst the remaining 9797 had upward and downward changes which left their wages at the same level at the end as at the beginning of the year.” If we were to assume

* p. 8. None of these figures include agricultural labourers, seamen, and railway servants.

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that the advances in wages were sufficient to make those who received them content with their lot, a very big crowd still remains untouched by these pacifying influences, and a very considerable one is actually made discontented by reductions.

As to the actual wages themselves, the *Reports of the Enquiry into the Earnings of the Workpeople of the United Kingdom* issued by the Board of Trade are the most authoritative sources of information. From these Reports I take the following table of average annual earnings :

	£	s		£	s
Building trade . . .	68	0	Pig iron . . .	79	0
Construction of har-			Iron and steel . . .	82	0
bours . . .	64	10	Tinplate . . .	74	10
Saw-milling and			Cotton . . .	48	0
machine joinery .	55	10	Woollen and worsted .	40	0
Cabinet-making, etc. .	62	0	Linen . . .	29	10
Road and sanitary			Hosiery . . .	38	10
workmen :			Engineering and boiler-		
Boroughs . . .	62	10	making . . .	69	0
Counties and rural	41	10	Shipbuilding and re-		
Gas supply . . .	78	0	pairing . . .	70	10
Electricity do. . .	74	10	Brass . . .	52	10
Water do. . .	70	10	Nails, screws, etc. .	44	10
Tramways and omni-			Printing . . .	65	10
buses . . .	72	10	Bookbinding . . .	41	0
Agriculture :			Paper-making . . .	38	10
England . . .	47	15	Chemicals . . .	69	10
Wales . . .	46	16	Baking . . .	58	10
Scotland . . .	50	19	Biscuit manufacture .	38	0
Ireland . . .	29	4			

These figures show no economic protection against

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discontent. But disappointing as they are, an examination into details makes them still worse.

In each trade there were very substantial percentages of the people employed for wages considerably less than the average. In the building trades 52·8 per cent. of the labourers were paid less than 25s. per week when fully employed; in saw-milling 14·3 per cent. of the total employed were paid less than 20s.; in cotton 23·9 of the employees were receiving under 15s. per week; in woollen and worsted, 66·3 were under the same figure; in linen 41·7 per cent. were getting less than 10s.; 61·7 per cent. of all the men employed in public utility services received less than 30s.; 41 per cent. of the metal, engineering, and shipbuilding groups also got less than 30s. for a full week's wage. 40·4 per cent. of the adult men in the cotton trade received less than 25s.; 15·2 per cent. of those in the woollen and worsted and 44·4 in the linen industries less than 20s. The hardship of life which these figures reveal is appalling.

The third consideration is that the cost of living has been steadily rising, so that these increases in nominal wages did not mean greater ease for the working classes.

From 1900 until the outbreak of the unrest, there had been a steady rise in prices. At the beginning of 1911 the Board of Trade reported:* "The general level

* *Labour Gazette*, January 1911, p. 4.

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of wholesale prices as measured by the Board of Trade Index number, which is based chiefly on import and export average values, showed in 1910 a rise of 4·6 per cent. compared with 1909, and was higher than in any year since 1884. The retail prices of food in 1910 showed, on the whole, an advance of about 1½ per cent. compared with prices obtaining in 1909, and of about 4 per cent. compared with 1907. As compared with 1900, retail prices showed an advance of nearly 10 per cent." Taking prices in 1900 at 100, the following rises are recorded: 1901, 101·9; 1902, 101·6; 1903, 103·2; 1904, 104·3; 1905, 103·7; 1906, 103·2; 1907, 105·8; 1908, 108·4; 1909, 108·2; 1910, 109·9.* Figures published by the Co-operative Wholesale Society indicate a rise in prices of 10·4 per cent. between 1906 and 1912. Thus it is seen that the rise of discontent coincided with a serious rise in prices. Rents in most industrial towns were going up at the same time. The chancellor of the exchequer of most working-class families in 1910 was faced with the unpleasant fact that with an income slightly less than at the end of 1900, the sovereign was only worth 18s. instead of 20s. in the former year. Throughout the period of maximum unrest there was no perceptible fall, for though there was some promise of cheaper food in the spring and summer, costs rose again in the late autumn, and

* For the years since the unrest broke out, the figures are: 1911, 109·3; 1912, 114·9.

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the year's average was practically the same as for 1910, viz. 109·3.*

All this had been dinned into the ears of the working classes from thousands of platforms, and behind these damaging details were such broad facts as that about forty out of forty-five million people had to be content with no more than one-half the national income. The effect could not be avoided. It was discontent, divine and deep-seated.

And so the position is that since the beginning of the century the struggle to maintain old standards of working-class life has, with hardly a breathing space, been intensified. Higher moral demands and a quickened appreciation of social idealism have been contemporary with increasing poverty and a loss of confidence in the justice of the social order. Let anyone ask himself, Could anything have happened except what actually did?

* This was true all over the world, and many governments—New Zealand, France, Canada, America, India—appointed committees to inquire into causes. The official Labour Bureau at Washington reported that since 1896 the “annual per capita cost of the necessaries of life and daily consumption” rose from £14, 17s. 3d. to £21, 9s. in 1906; between 1890 and 1911 the cost had risen 50 per cent.

CHAPTER FOUR
TRADE UNION ACTION
I. RATIONAL



CHAPTER FOUR TRADE UNION ACTION: I. RATIONAL

UNDER THE ECONOMIC CONDITIONS which I have just described, the question arises: What action may the working classes be expected to take? They will certainly want to improve their position—or at least to regain lost ground; and to this end they will be moved by two different frames of mind, one instinctive and the other rational. I shall deal with the latter in this chapter. Trade Unionism is its expression. The individual combines with his fellows, secures the advantages of collective bargaining, conducts negotiations, declares war if need be, and gets into the habit of thinking that his personal interests depend solely on the strength of his trade combination. The strike is the last and most dreadful resort in this case.

Within recent years new counsellors have arisen. They emphasise the undoubted suffering and uncertainty of the strike—particularly the suffering of the outside public; they point out that federations of employers make the strike a less satisfactory weapon than ever it has been; they propose to settle industrial differences by political or judicial methods and establish Conciliation and Arbitration Boards to take the place of strike committees. But the workman, very properly, is suspicious. The strike is a weapon he understands; but for it he would have been defenceless and degraded to a much greater degree

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than he now is: by it (or a threat of it) he has fought for practically every advance he has got; the other method is new, and he does not see very clearly how it is to affect him. He is willing to adopt it when his organisation agrees with that of his employers to set it up, because that does not leave him defenceless if it should fail. He can give notice of withdrawal and pursue other courses. He has not then bound himself hand and foot to accept decisions which he considers to inflict grave injustice upon him. He will, therefore, not agree to having arbitration imposed upon him by the State when one of the conditions must be that, whatever may be the award of the arbitrator, he forfeits his legal right to lay down his tools collectively and fight his battles as heretofore. He hears about what Australia and New Zealand have done in this way, but he knows that neither of these countries has succeeded in settling industrial disputes by peaceful means,* and above all he is intelligent enough to comprehend that neither the industrial nor the political conditions of these countries are in any way comparable to his own. They may be more ad-

* The peans of peace-loving praise which have been uttered regarding arbitration in these countries are without justification. A correspondent writing in March 1913, after having read one of these outbursts, said: "In actual fact we have only just passed through a gas-workers' strike, we are in the middle of a ferry-hands' strike, there is a coal-miners' strike forty miles south of us, and a bread-carters' strike is threatened." "If you do not accept the Wages Board's decision," said Mr

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vanced than we are and may be showing us the way ahead, but in his steady, common-sense sort of way he knows that it is most unsafe for him to adopt a policy for which his industrial and political circumstances are not quite ready. He is encouraged to remain in this suspicious frame of mind by his experiences in the law courts and his habitual condemnation by the press and "respectable" opinion when he does anything in his own interests. Moreover, his experiments with voluntary conciliation, or with the all but compulsory conciliation of the Railway Boards, have not been such as to induce him to have more of that kind of thing than he can help. Indeed, and in a sentence, he is in the same position as the European nations at the present moment. He wants peace, but he would like some guarantee that the tribunals which are to settle his grievances will be fair and that the public opinion to which he is to hand himself over will do him justice. And just as no one in favour of international peace desires to bring it about at the expense of the weak, or in a form which makes force a tyrannical ruler over the peoples, so no one ought to ask Labour to lay down its arms without seeing clearly what the consequences are to be.

Carmichael, a member of the Labour Cabinet of New South Wales, to a representative of the ferrymen of Sydney on strike, "you may as well throw the arbitration system overboard." "Throw it," was the reply. "We won't throw a lifebuoy after it."—*Times*, May 13, 1913.

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The workman is quite right in putting the highest value on his power to strike. Every now and again there is a great cessation of work in some industry. Capital and Labour are fighting a grand battle. Trade is damaged, wages are lost, debts are incurred, and, whilst the bitterness and destruction are still troubling the minds of men, the strike appears to be nothing but a wanton and wasteful means of trying to gain an end. But the workman feels differently. He knows that the suffering he is undergoing pays him somehow. He may even be beaten, and yet one finds him saying: "It was worth doing." Nor is this sheer obstinacy and "an unwillingness to confess to a mistake." A large employer of labour, discussing the unrest of 1912 with me, remarked that he had never been beaten in a strike, but that with very rare exceptions his men managed before long to squeeze out of him what they had struck for. And they would not have got it had they not struck.

Moreover, when we try to reduce to mathematical values what the real meaning of the loss entailed by strikes is, we again find that the workmen's impression that it is worth doing is well founded. In the article on "Strikes" contributed to Palgrave's *Dictionary of Political Economy*, it is stated that the loss in wages owing to strikes does not amount to more than one per cent. of the total sum paid, and that if the loss of time caused by strikes between 1901 and 1907

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were paid for equally by each of the adult working males, it would only amount to one-third of one working day per annum.* As the strike is the weapon of a whole class, and its effects influence the whole class, the sentimental emotions called into activity by the hardships of any one dispute must be severely corrected and kept in check by these considerations of averages and distributed losses.†

Nor can the well-to-do spectators judge accurately the dramatic meaning of industrial war. They have neither the knowledge nor the insight; they exaggerate; they do not appreciate. For instance, I remember hearing one who was condemning the last railway strike reflect passionately, and quite honestly, on the terrible suffering imposed upon infants of the working classes of Liverpool because numerous cans of milk lay at the station full of rotting contents. The fact is that, strike or no strike, the children of the working classes are always suffering from a lack

* This is also borne out by the fact that though in 1912 there was more time-lost than ever has been known in this country through strikes, production that year broke all records. This conclusion is not upset if the influence of the miners' strike of 1912 is sought for in the trade of 1913.

† The Department of Labour in Washington has estimated that "the total loss due to strikes and lock-outs during the period of twenty years from 1881-1900 was approximately \$469,000,000." "This amounts to an expense of only about three cents per month per inhabitant of the United States." The time lost "amounts to less than one day per year per adult worker."—Carlton, *History and Problems of Organised Labour*, p. 164.

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of milk, but few think of it till cans are held up by strikers, when the misery of the poor infant becomes the plaything of the awakened sentiment of the normally indifferent well-to-do critic of working men. Some years ago a picture called "The Striker" was exhibited in the Royal Academy, and the public stood in front of it, felt a grip at their hearts, and thought they were seeing something real. They were only being misled. A dozen titles—one of which would be "Unemployment"—would have fitted the picture equally well. The incident represented is common to the life of the working classes in the most peaceful and the most plentiful of times, and the strike must be exceptionally prolonged and exceptionally bitter that entails more suffering on the working classes than one of the periodic depressions of trade. The damage of the strike must be measured in terms of the everyday experiences of the class upon whose lives it falls.

But the great occasional strike which fills columns of our newspapers with perverted tales of stubbornness and selfishness* is not the most effective, nor is it this which contributes most to working-class improvement, although on the whole these mighty battles have been the means by which Labour has se-

* It is interesting to note that the recreations of men on strike which are luridly described in the newspapers are generally organised to keep the men occupied and thus ward off that sullen and dangerous frame of mind which results in disorder.

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cured important national or wide local changes—like the nine-hours day in the building and engineering trades, or the recognition by employers of the Unions of unskilled workmen. The local and short strike, which few outside a trade or locality ever hear about, has been an invaluable weapon, even although many of these disputes are not even included in the Board of Trade figures.

A few figures may give one an idea of the prevalence and effect of strikes. The Board of Trade records* show that in 1901 there were 642 disputes; in 1902, 442; in 1903, 387; in 1904, 355; in 1905, 358; in 1906, 486; in 1907, 601; in 1908, 399; in 1909, 436; in 1910, 531; and in 1911, 903. It is impossible to say with absolute accuracy how far every dispute has been, or has not been, successful; but, accepting the Board of Trade classification, we find the following:—

Year.	Settled in favour of workpeople.	Settled in favour of employers.	Compromised.
1901	27·5	34·7	37·3
1902	31·8	31·8	36·1
1903	31·2	48·1	20·7
1904	27·3	41·7	30·9
1905	24·7	34·0	41·2
1906	42·5	24·5	33·0
1907	32·7	27·3	40·0
1908	8·7	25·7	65·6
1909	11·2	22·3	66·5
1910	16·3	13·8	69·7
1911	6·6	9·3	84·1

* *Report on Strikes and Lock-outs in 1911*, Cd. 6472.

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To draw conclusions from these figures is not nearly so simple as it looks. Generally, we ought to know what is the effect of these disputes on the mind of the employer, how far they compel both sides to be reasonable in their demands and concessions, how far they make peaceful negotiation effective for the improvement of labour conditions. There can be no doubt that the effect of strikes in these respects is good. Then, the figures given require to be carefully interpreted. In order to value the last column we must know how far the compromise would have been granted without a strike, and we should know in respect to all the columns how far the disputes were entered upon by organised men in a proper way, and how far that was not the case. For instance, there is an important comment made in the 1910 Report:

“In the building, mining and quarrying, metal, engineering and shipbuilding, and clothing trades the proportion of workpeople completely successful was higher than that of those unsuccessful.”

The Report for 1911 states:

“In the building trades, and the metal, engineering, and shipbuilding trades also, the proportions of workpeople involved in unsuccessful disputes were considerably less than the averages for the preceding nine years.”

That means that under Trade Union conditions the men on the whole win oftener than they lose. I

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believe that to be a general rule. That is why we observe two important things: first, that the demand for compulsory arbitration has come mainly from badly organised trades; second, that when it has been made from other quarters it has been upon the assumption that industrial conditions are now altering so much for the worse, as far as Trade Union power is concerned, that the field upon which organised Labour can win victories is being so narrowed as to impose a heavy handicap upon the workman. Capital is being concentrated for industrial purposes and federated for defensive purposes against Labour combinations, and organised Capital left to deal with organised Labour under existing conditions enters a contest with everything in its favour. This is the reason why Trade Unionism is turning its thoughts more and more towards legislation and is finding ideas of compulsory arbitration more and more consistent with that new position. But whatever may be the policy finally adopted under these new circumstances, it is quite certain that up to now the power to strike has enabled organised Labour to secure the advances of wages and improvement in conditions which it has won; that at the present moment the Trade Unions are perfectly justified in clinging tenaciously to that power; that in so far as the State has stepped in with legislation—as in the case of the Minimum Wages Act for mining—or with other kinds of interference—

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as in the case of the settlement of the railway strike— action has been taken only because there was a strike and not because the State has yet developed the faculty or the machinery for redressing labour grievances on its own initiative; and finally, that without further threats of a strike the State has been unwilling to see that agreements to which it has lent countenance are honourably carried out by employers. Moreover, this also can be laid down as a rule: conciliation, with no strike as a possibility in the background, will give less advance in wages and other conditions than when there is a strike in the background. Or I may put it in other words: the decisions of Wages Boards will, as a rule, be for a lower pay than organised labour can get organised capital to agree to, if organised labour is free to strike.* Hence, even if Wages Boards are good for unorganised and sweated workers, the organised trades ought not to accept that method of settling wages standards. They can do better, as I shall show in a later chapter.

Attempts have been made to measure the influence of strikes by relating them to movements of aggregate wages so far as they are recorded. But this must

* This has been shown in the case of the Leeds clothing operatives. The Clothing Trade Board fixed wages at rates which the Leeds operatives considered to be too low. They struck against the Wages Board's rates and were successful in obtaining higher pay. Clothing operatives in other towns are now thinking of following the Leeds example.

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be done with very great caution. The effect of strikes is not always seen immediately,* and it is as potent in preventing attempts to reduce wages and to lower conditions of labour as in defeating these attempts after they have been made. To measure the beneficial effects of the power to strike by the movements in wages requires a power of discrimination which the imperfection of statistics often leaves unaided. The knowledge that there can be war prevents both sides from drifting into war. Moreover, even if we put the statistics of strikes alongside of those of wages, their exact relationship is not always self-evident. Every detail of the two aggregates has to be examined and abstracted. With that warning, however, I detail month by month the movements in wages during the years of unrest, and then show diagrammatically the strikes and wages standards through a series of years.

WAGES MOVEMENTS DURING UNREST

1910	£
September . . . +	1,200 per week
October -	300 " "
(increases from strikes counterbalanced)	
November . . . +	150 " "
December . . . +	6,800 " "

* I remember, for instance, seeing an argument against strikes based on the ground that the rise in wages up to the middle of 1912 was comparatively slight. At the time the argument was used some of the increases in wages gained by the unrest had not taken effect at all. To this day wages are still rising owing to the strikes.

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1911		£	
	January	-	49 per week
	February	+ 5,000	„ „
	March	- 2,500	„ „
			(fall in price of Durham coal)
	April	- 1,350	„ „
			(fall in price of coal)
	May	+ 1,250	„ „
	June	- 840	„ „
			(coal counterbalanced strikes)
	July	+ 2,085	„ „
	August	+ 9,400	„ „
	September	+ 1,200	„ „
	October	+ 2,600	„ „
	November	+ 1,500	„ „
	December	+ 1,000	„ „
1912			
	January	+ 2,600	„ „
	February	+ 2,500	„ „
	March	+ 600	„ „
	April	+ 2,700	„ „
	May	+ 7,400	„ „
	June	+ 19,900	„ „
	July	+ 13,000	„ „
	August	+ 6,300	„ „
	September	+ 15,400	„ „
	October	+ 25,000	„ „
	November	+ 17,400	„ „
	December	+ 3,000	„ „

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And to show the continued movement into this year

I give similar figures up to date:

1913	£
January	+ 26,995 per week
February	+ 9,700 „ „
March	+ 24,000 „ „
April	+ 24,900 „ „
May	+ 14,800 „ „
June	+ 8,500 „ „

It must be observed that in these figures are not included the increases in wages which came to the railway servants as the result of their strike, and which, according to the official organ of the Amalgamated Society of Railway Servants, amounted to over £1,500,000 in 1912. They are therefore all the more impressive, and who can deny their moral and their meaning?

In the diagram which is to be found at the beginning of this book I have attempted to show the sympathy in movement between strikes and wages. The similarity of the general movement in the three curves is evident; the trough between 1900 and 1907, the rise in 1907, the fall during the next two years and the rise (flat as regards wages in 1910-11 because the forces making for an increase of wages were then only beginning to be effective)* up to 1911, are

* But readers must be warned against assuming that the perpendicular values of the three curves are the same. The flatness of *c* must not be compared with the sharp variations of *b*. All that the curves can show is sympathetic relative movement.

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common to the three curves. If the railway servants were included in the figures from which these curves are drawn, the harmony between them would have been still more striking.

An examination of the details of the curves year by year also seems to show that when wages have dropped suddenly the workmen do not appear to challenge the decrease. The drop in wages during 1901 is followed by a diminution in the number of disputes, and this is continued during a period when trade is depressed. Then the energy to demand more returns, strikes increase and wages go up with a bound. These periods of troughs and elevations roughly correspond with periods of falling and rising prosperity when wages drop rapidly—by gravitation, as it were—and are only raised substantially by the force of strikes. The curves for 1905 are worth examination. Although profits have increased wages fall slightly, but the strike curve rises. Demands backed by threats of war have been necessary before the share of labour in increased national wealth has been improved. One's recollection of what has happened again and again in one's own experience is borne out by these figures, viz. that when prosperity returns Capital shows no voluntary disposition to share its increasing gains with Labour, but retains them for itself until forced to part with them.

Under these circumstances, to talk nice sentiment-

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alities about Capital and Labour is vanity. The existence of Trade Unionism, nominally as a medium for bargaining, potentially as a medium for fighting, has been essential to working-class progress. One day the strike, like war will go. No one supports it ideally. It is a rough weapon in a wicked world. But present-day society forbids its being laid aside.

This is action in a rational frame of mind. But sometimes the tides of feeling are too strong for this. The organised and representative action of Trade Unionism is set aside and the mass acts instinctively and as a mass. This was one of the characteristic features of the recent period of unrest, and I now proceed to discuss it.



CHAPTER FIVE
TRADE UNION ACTION
II. INSTINCTIVE



CHAPTER FIVE

TRADE UNION ACTION : II. INSTINCTIVE

ONLY WHEN THE WORKING CLASSES are baffled by experiences which do violence to their moral sense do they resort to action which is purely instinctive. One has to understand them before one sees how this happens. They do not appreciate finely spun distinctions and purely intellectual reasoning. In other words, they have a much firmer grip on life than on thought. They look at things in a simple, common-sense way. They have experienced the roughly equitable working of the machine of life and suspect any attempt that may be made to adjust it to stilted logic and to explain away or excuse what they experience as a wrong. Their relations are determined by broad considerations of fair-play and just dealing. They detest verbalism and legalism. Perhaps it may be said of them by their critics that they are not sufficiently trained in intellectual work to have confidence in intellectual methods, and they are often driven back upon instinctive passions by their failure to hold their own in intellectual warfare. Their ethics are those of the mass more than of the individual. They think of classes and communities. As their critics ought to understand this, I propose to explain it with reference to some of the claims of Trade Unionists which seem to be the least defensible from a moral standpoint.

When the Trade Unionist attacks the blackleg dur-

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ing a trade dispute, he justifies himself on the ground that the strike-breaker is a menace to the wage-earner, is a mere tool in the hands of the capitalist, and is a bar to the advance of his class. When the battle has been fought and won, the blackleg reaps the benefit which comes from the sacrifices of his fellows, and, in the improved conditions under which he himself works, he profits by the activities of the Union to which he not only does not subscribe, but which he is willing to weaken on every opportunity. It is no use talking about the principles of individual liberty as a justification for the action of this man. Morally, he is an outcast; industrially, he is an enemy. The Trade Unionist simply declines to regard him as anything but a factor in his struggle with capitalism, and everything that can be said in his defence is but an apology for one who not only gathers harvests he has not sown, but who, during the sowing of them, has been a dangerous menace to the sower.

The same thing is true of what is known as the special legal privileges of Trade Unionism. They are no privileges at all. A Trade Union, in actual working, cannot be a corporation; to impose upon it the strict law of agency is to inflict upon it a gross injustice, because, in the nature of the case, such a law must mean the paralysis of collective action and the bankruptcy of labour combinations. It can be imposed upon business undertakings (although even there the kind

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of damage which may be the subject of legal redress is such as is not involved in what may be termed the warfare of business competition) because the responsibility of agents there is real, and everyone who can be regarded as an agent is actually an agent, responsible to, and representing, his employers. That never has been the case and never can be the case with a Trade Union. Briefly and roughly, the common-sense of Labour simply demands a liberty of action in its own self-defence equivalent in effectiveness to that which Capital can take in its self-defence. And that liberty is not exercised by the one in exactly the same way as it is exercised by the other. I may make my point clearer by a specific illustration. If a workman by activity in his Union becomes obnoxious to his employer he is not infrequently discharged, and it is not uncommon for him to find that, in consequence, he is boycotted throughout his district. To do this is one of the "rights" of employers. The workman, very properly, wants an equivalent "right." But what is it to be? Obviously, it is not the "right" to boycott an employer (though that is partly the justification for the strike), because such a boycott can be carried out only on a scale which involves every single workman in the district, and must therefore assume proportions and features which make such action altogether different in kind from that which I assume the employer to have taken. In fact, the conditions under which

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Capital on the one hand, and Labour on the other, have to operate, are so different that Labour, in the instance I have given, can enjoy no real equivalent. This difficulty was experienced in the case of Driver Knox and the North-Eastern Railway Company, and of Guard Richardson and the Midland Railway Company. These Companies, by lifting a pen, could punish unjustly; the workmen could do nothing in reply without moving a mountain, without putting a ponderous—in the public eye, too ponderous—machinery into operation. Everybody felt that to strike in consequence of the dismissal of Richardson was to punish out of proportion to the grievance. But there was no medium course. It was that or nothing. And to do nothing would have been dastardly.*

This means that a code of civil law equitable to Capital may be most inequitable to Labour. Upon this

* The only weakness of this position is that some people may assume that the Companies had a right to discharge these men at their will, and that consequently Labour can claim no corresponding right. I dispute that, however. Capital has not the right to discharge workmen with impunity on the ground that they have done something they were legitimately entitled to do in their own interests, *e.g.* worship at a Methodist Chapel, belong to a Socialist party, take office in a Trade Union; and if Capital exercises its *power* to do such a thing, Labour must not be hampered in exercising a protecting power. This is sometimes done by the action of Government Departments like the Board of Trade, sometimes by the Courts, but as a rule it is left to the action of Labour itself, in which case it is, as a rule, quite powerless to do anything.

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ground the Trade Union Acts are justified. Hence also it is that the Trade Unions regard the opposition to these Acts—especially the most equitable of them all, the Trades Disputes Act—by bodies like Chambers of Commerce as nothing but a desire to impose disabilities upon Labour combination. That indeed would be the result were the opposition successful.

One further example may be given to show how the axioms which the Trade Unionist never thinks of questioning are a kind of *pons asinorum* to those who have never taken the trouble to imagine themselves standing in workmen's shoes. We are constantly being told that the specially able workman is bitted and bridled by Trade Unions and his output limited. The accusation, which can often be proved, is ugly. It suggests both tyranny and dishonesty, and if it were fair to leave it there, no decent person could even excuse it. But what does it mean to the workman? A young man in his twenties comes into a workshop. He is fresh and he is tireless. He can work for long hours, and he may accept low piece wages because he can produce a great amount of goods—or thinks he can. If he is left to be spurred by his employers he will set a higher standard of production than the average, with evil results that workshop experience does not leave open to doubt. Employers will reduce piece wages, and the capacity of the ex-

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ceptional workman will become a handicap to the average workman. In resisting this, the workman is wiser than his explanations often are. For what his attitude amounts to is, that he desires to maintain an economic average of strength and energy. The employers' claim is, that the young workman's production may be regarded as the average; the workman's claim is, that the average must be struck from the aggregate capacity of a workshop with its varying ages and abilities. The claim of the employers is the spendthrift notion that a man should live up to his maximum income when he is getting it; that of the workman is, that the expenditure of energy, like the expenditure of money, should be made on some method of economic foresight. The spendthrift parallel is indeed complete. The workman is inspired by the method of economic expenditure, determined by a length of view which includes calculations of coming losses, wastages, decays; and the critic who objects to this policy is nothing but the extravagant liver who is unprepared when a week of adversity comes, and is ruined by the slightest ebb in his fortunes. I know quite well that this wise economising can be carried too far until it becomes that of "ca' canny," or sabotage, or other form of dishonest exploitation either of the employer or the public. But when that happens the employer is as often to blame as his workmen. His own unfairness to them has taught them how to

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abuse their powers. For instance, the accusations that have become proverbs regarding certain sections of workmen engaged in the London building trades can only be explained by a study of how the employers in that trade have used their workmen, and the standard of honesty they have adopted to the public. The bricklayers' slowness is the moral result of their employers' business ethics. But when the vicious misapplications of the principle are left out of account, it is indeed an attempt on the part of the workmen to protect the young workman himself and to guard the livelihood of older men, by including in the various grades of efficiencies which determine the standard a wider selection than merely that of the specially youthful and energetic man, to strengthen industry because its processes are much steadier when the standard of production, which is the basis of wages, and the general treatment of the workpeople are reasonable, and finally to help Capital itself, for nothing can be less economical from a business point of view than to overwork Labour.

In these characteristic and essential experiences and points of view the workman finds society against him. He meets not only with no sympathy for the realities which he has to face, but he is judged and blamed by a perverted morality. The blackleg becomes a noble citizen, the representative of the free and independent workman; legal decisions which hand him over to the

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bondage from which he was escaping are welcomed as equity; his foresight in protecting himself against the unchecked cruelty of sheer economic pressure is labelled by opprobrious epithets. The mind of the patient reformer is crushed out of him and that of the outlaw is bred in him. He is allured by the flashy propaganda of impatience, of heroic action, of anti-social methods. A narrow class prejudice creeps into him. He has confidence only in those who approach him with cut-and-dry utopias which are to be won by one or other of the several weapons of a flamboyant impossibilism—a general strike, a social boycott, revolution. And this is augmented by the fact that, in times of unrest, the younger men come to the front in agitations, and the probabilities are that these younger men will be inspired by the latest programme of the imaginative revolutionary mind.* Thus it was that the feeble force of Syndicalism appeared for a moment

* From an article on modern labour movements which appeared recently in the *Times*, I extract the following, which is not at all an inaccurate description of what is going on: "Young men of intellectual capacity and aspirations are being turned out in increasing numbers. . . . They find congenial occupation to their hand in the work of organising their fellows, in writing and speaking, in carrying on political and educational propaganda, in agitating, in local government work, with the prospect of Parliament behind it. . . . So we see this class expanding in activity and numbers with the new generation, and naturally newer and more ambitious ideas appeal to them more than older and more moderate ones."

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in South Wales in 1911, and that whilst it streaked the leadership with red, it never tinged the rank and file that were supposed to be affected by it. Thus it will always be.

If what I have been writing in this chapter be true, we must expect the intelligent workman to judge society by his own experiences, and to reject, often with contempt, the prim and generally meaningless moralities thrown at his head by way of criticism and advice by those whose economic interests are not his, and whose social morals are only expressions of their own economic advantages. He will certainly not give up his right to protect himself in his own old-fashioned way, for that still is more effective than any other; and just in so far as he is misunderstood and maligned, as he was during the recent unrest, will he turn to a wild impossibilism both in thought and in action—will he become impatient with a thought-out rational policy of transforming change effected bit by bit, and follow a merely instinctive propaganda of irreconcilable opposition to the established order. That is what we ought to expect, and that is pretty much what happened.

One of the circumstances which was thought to show a new departure in Trade Union action and upon which the most absurd constructions were placed, was the refusal of the men in some instances to accept the advice of their leaders. The explanation is simple. It

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is not that anarchy has begun, or that Syndicalism is here, or that the leaders have lost touch or influence with their rank and file. It is that when the conditions which I have been describing arise, the mass always insists upon leading itself. The Union official stands in the minds of the rank and file for quiet orderly negotiation, for conciliation, for peace. To them he is the representative of order, the ambassador and plenipotentiary. Such, in reality, is his own estimate of himself. The caricature of him as a wild agitator is taken as a picture from life only by the innocent readers of "respectable" newspapers. He dreads war because he knows what it means—sleepless nights and days crammed full of anxieties, thankless and wearing tasks which have to be done without forethought, attacks from his own ranks whilst he is leading them in the contest, the shattering of the financial position of his Union, the spectacle of suffering which grows darker as the days pass without peace, the enormous responsibility for keeping the fight going and for closing it at the right moment. Such a battle tries the strongest nerve. And if his Union happen to be in a poor condition, or if its solidarity is not so good as it might be and its influence on the non-Unionists doubtful, he knows its weakness and is deprived of the assistance of the buoyant illusions which make sections of his followers valiant and confident.

An instance, frequently quoted during the recent

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unrest, of the rebellion of the men against their leaders, was the case of the boilermakers. There had been local strikes, unsanctioned by the Executive, and the employers decided upon a general lock-out.* The Union Executive did not think it could fight successfully and came to a new agreement—the York Agreement,— which, however, was rejected by the men. Tempers were up; the men were irritated by grievances; bickerings within the Union followed, and finally the Edinburgh Agreement settled the disputes. That, briefly, is the history of the trouble. What is the explanation of this series of events, so humiliating, apparently, for the Executive, and so ominous for the future of Trade Union discipline? No one who now reads the records can doubt that the provocation offered to the men was deliberate. Difficulties had arisen in interpreting and applying the piece-work provisions of the Joint Agreement which was in force at the time, and the men had continued to work under protest until their patience was exhausted. Nominally an act of defence against angered employees, the

* There is a spice of grim humour about the fact that the claims which the employers refused to consider at first and which caused the preliminary trouble, were subsequently found to be right. After all the mischief had been done they were admitted and had to be paid. Although the press told of the wrong-doing of the workmen in daily reports and criticisms when the lock-out was in progress, I never noticed subsequently any comments on the decision which vindicated the action of the men.

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lock-out was an act of planned aggression. The Unions were weak financially, and the employers and men's leaders knew that that was the case. The employers took advantage of their knowledge, and in their workshop management delayed the settlement of grievances and so irritated the men, who, as usual under such circumstances, became restive, broke agreements, and demanded a stronger lead from their Executive. The men's leaders knew their weakness and unwillingly accepted the terms which the employers forced upon them at York. According to this compact, the Union was to fine its members who stopped work 5s. per day, and increase the penalty if the offence was repeated. After having been certified by a chartered accountant, the accounts of this fine-fund were to be submitted to the Employers' Federation to be examined and checked by it, and the money was to be used for the Widows' and Orphans' Fund of the Union. Thus charity was to become a cynical agent in industry. Men who declined to pay were to be deprived of all work, so far as that could be secured by a boycott conducted by the Federated Employers, and at the same time they were to have no Union benefits. By a majority of 1100 the agreement was rejected. That it ought to have been rejected is unquestionable. However unprepared for a struggle the Union appeared to be, it ought to have fought and been defeated rather than surrender to

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such terms.* The Board of Trade then stepped in, further conferences were held, a new and fairer agreement was offered and was accepted on a ballot by the men.

This was clearly a case where leaders were temporarily dispossessed of their authority by the action of employers, and the men were challenged to fight or

* The York Agreement made no provision for an investigation as to whether the men who struck work were or were not in the wrong. It assumed that they were always in the wrong. Its main provision was: "The Society undertakes that any member who is a party to a stoppage of work in contravention of the Shipyard Agreement shall be fined for the first offence at the rate of 5s. per day for each day's absence from work. The Society further undertakes to impose an increased penalty on members guilty of a second or subsequent offences. A record of such fines and of their collection shall be certified each six months by a chartered accountant."

The main provision of the accepted Edinburgh Agreement is: "When parties are in disagreement as to whether or not a stoppage of work in breach of the Shipyard Agreement has taken place, the question shall be referred to a Committee of six representatives, who will also decide who is responsible for the same. Three shall be appointed by each side. . . .

"Where both sides are in agreement, or where the Committee or referee has decided that a stoppage in breach of the Agreement has occurred, the offending parties are to be dealt with as follows:

"In the case of the workmen, by the Executive Council of the Society, in accordance with the rules of the Society; and in the case of an employer, by the Executive Board of the Federation, in accordance with the rules of the Federation."

To comment on the difference between the two agreements is unnecessary.

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surrender with dishonour. Under such circumstances, men are perfectly justified in suspending for a time the usual methods of collective representative government, and returning to the more primitive and instinctive method of spontaneous mass action. The views of the Syndicalist are then forced upon the Unions because employers have prevented, for the time being, the usual modes of Trade Union action. One may say that when that happens, Union Executives should place themselves at the head of the men in revolt, and that the Boilermakers' Executive ought not to have signed the York Agreement. But that kind of criticism is easily indulged in by those who have not the responsibility of these Executives. In any event, the right course was taken in throwing the final responsibility for fighting or surrendering upon the men themselves. They gave their decision, and it was a right one. The setting aside of the leaders was not owing to any new spirit in Trade Unionism; it cannot be explained accurately by calling it mere insubordination; it arose from a condition of things which followed upon an attempt of employers to use their power tyrannically, and which threw back the responsibility for action from representative committees to the rank and file itself. The distinction which I am trying to make clear cuts very deep. When either Capital or Labour uses a more or less absolute power which circumstances temporarily put in its

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hands, to force the other side to accept unfair terms or to make a peace which does not commend itself to a sense of justice, the injured side yields but studies revenge, or, refusing to yield, throws over representative government and falls back on committees of public safety and mass rule.

This has been done time and time again in the history of States. It happened during our war with the South African Republics after we had taken the capitals and put the governments to flight. Something of the same thing happened in France after Sedan when the German troops camped round Paris. It would happen if this country were invaded and Whitehall, anxious to avoid unnecessary suffering and bloodshed, were to think of accepting disgraceful terms of peace before the spirit of the people had been broken. Such a situation arises because the representative acts on intelligence, whilst the mass, when agitated, acts on instinct and intuition.

Another factor has to be taken into account. For sometime the fibre of Trade Unionism had been loosening and slackening, and in the meanwhile that of federated Capital had been tightening. The influence of the Taff Vale decision in drawing the Unions together had passed. The Trades Disputes Act had restored a calm confidence amongst the workmen, but it had made employers resentful. The advent of a Labour Party in Parliament had not been without its

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awkward consequences. Its appearance was extravagantly hailed as the dawn of the millennium. Many Trade Unionists, moreover, assumed that, with a Labour Party in Parliament, workshop agitation was no longer necessary. Legislation was to protect them in future. The Party was not only to do the ordinary work of Parliament, but was to settle every workshop grievance and every industrial dispute. The Party was deluged with expressions of these expectations—sometimes from aggrieved individuals, sometimes from troubled societies,—and of course it could not satisfy its correspondents. Much of what they asked could not be dealt with by Parliament at all; much of what was within the function of Parliament could not be done by a House of Commons in which the Labour Party was a small minority. Whilst these extravagant expectations were being removed, a reaction away from political methods of advance was inevitable, and that reaction added force to the revolutionary and instinctive movement which was gathering from other quarters. It received its greatest strength from the Osborne judgment, which, as I have explained, was regarded as biased by the great mass of Trade Unionists. They accepted it as a challenge flung in their faces. They turned from Courts and from Parliament, from representatives and negotiation, and nursed the conviction in their hearts that only by unsettlement and by fighting could they protect them-

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selves. The first strike of any dimensions that happened was the signal for numerous others. The pent-up feelings could not be controlled after the least shock.

Then came a temporary toying with Syndicalism, not as a movement, but as a temper. "Your Trade Unions have been cheated," they said, "your cautious policies have been laughed at, your leaders are craven, your Parliament is useless. Return to the action of enthusiasm. Kick—kick at anything—kick anyhow. The world is in league against you." And with a merry malice the spokesmen of conservatism, the leaders of "respectable" law and order, saw the difficulties in which the Trade Union secretaries were placed, and jeered whilst the officials strove to gather their ranks again into solidarity and restrain their men from running amuck.

By 1910 everyone in touch with the masses of workmen felt the heaving of unrest. General unhappiness moved the working classes. They were like the beehive before swarming. The impelling forces were partly temporary and accidental, but in the main they were more than that. They were the protests of men wronged in pocket and in spirit, feeling the injustice of society like a persecuting malignity, at the end of their patience because their experience had not taught them that though right were worsted wrong would not triumph. The fight was forced upon them, and they

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entered it determined to carry it through whatever the cost was to be. Whoever stood for peace and negotiation was for the time being put upon one side. The Unions laid aside their formalities. Men thought of but one thing—their common grievance against employers. Everyone was prepared to come out because someone else was out. To every workman seemed to come a revelation of his subordination, of injustice done to him; and the labour world responded to the call to strike, in the same eager, spontaneous way as nature responds to the call of the springtime. One felt as though some magical allurements had seized upon the people. In these days they left their work like men overwhelmed by some great religious fervour. In such supreme moments, the mass always follows its own instincts. Intellect then bows to intuition.

CHAPTER SIX
CONCLUSION

I DRAW A FUNDAMENTAL DISTINCTION between strikes for a programme of industrial improvements like increases in wages or reductions in hours, and what has been called "Labour Unrest." The latter arises when grievances are felt in something deeper than mere matters of detail. It appears when discontent has arisen regarding systems of relationships, or, to write more definitely, when the economic order does violence to the human order, when men are treated as things, as means to economic ends, and are classed amongst the means of production; when an attempt is made to make men mere items in ledger accounts; when employers forget that they must treat their men as persons having a sense of liberty of action which is never obliterated by wages transactions and never set aside by the claims of Capitalist control over workpeople. In the relationships of Labour and Capital, these things were being forgotten. Mere poverty will breed discontent, but a treatment which does violence to the self-respect and sense of justice in men will breed revolution.

In every workman's heart there is a dim perception of a social order based upon the instinct of human equality and justice. He feels himself to be that divine and superior something called a man, with certain rights inherent to his manhood which can never be argued away by the verbal accuracies of philosophers nor by the economic reasoning and convenience of

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business men. These instinctive perceptions and feelings are imperative, unconquerable, and can never be made subject to expediencies or business advantage. They are the vital creative factors which change social relationships, and which, when strong enough in their political power and clear enough in their economic and industrial vision, will create a society where they will rule in peace and unchallenged. That society of human order I call Socialism, and until it comes it will be an agitating ferment in all other social forms.

The order of society in which we are now living—the Capitalist order—does violence to this human order, and opposes it in its modes of thought and action. From its very nature it cannot help classifying the wage-earner amongst its machines and its raw material and treating him as such. It may be philanthropic and charitable; in its own self-interest it may—as it has done*—incorporate within itself parts of the human order, but it cannot become that human order. It must follow the laws of its own being—the laws of an economic order. Thus I have pointed out that every time this economic order extended its rule, as at the Protestant Reformation, the enclosure of commons, and so on, the property-less masses,

* As an illustration of this I may refer my readers to Mr George Cadbury's interesting account of the organisation of the works at Bournville, *Experiments in Industrial Organisation*.

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becoming more and more completely the subjects of that order, were swayed by the tides of revolutionary discontent. When the absolute power of the economic order was limited by the State, which, even when not politically democratic, cannot tolerate the unbridled rule of Capitalism on account of the disaster which it brings to a nation, the economic order defended itself and refused to be controlled. Every time that legislation, prompted by a wider conception of national good than the economic order has any notion of, sought to protect children, or women, or adult men by limitations of working hours or improvements of industrial conditions, the economic order protested, not because the individuals whose interests were bound up in it were immoral or inhuman, but because their axioms of thought and conduct belonged to the order in which they lived and moved and had their being.

The present order of society involves two essential antagonisms which doom it to a perpetual condition of conflict—the economic antagonism between the various economic interests (capitalist, workman, consumer), and the moral antagonism as to whether economic advantage or human ends are to be the dominating factors in industry. Here is the seat of the trouble. This is the source of unhappiness. Sometimes like a volcano it becomes quiescent, but the disruptive forces are active all the time, and every

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now and then they manifest themselves. These manifestations must have revolutionary characteristics because they express the conflict of one system against another. Had society in Great Britain between 1910 and 1912 been as loosely knit together as society in France was in 1789, there would have been revolution in our streets. As it was, the reckless employment and display of troops by the Government brought civil order to the brink of disorder, and only those in close touch with Trade Unionists in those stormy days knew what danger to civil peace would have been incurred had the August railway strike entered into a new week.

Labour unrest will not disappear until some human order of society is established. The question is, how is that to be done? We must remind ourselves at the outset that the economic order is not accepted by society itself, for, by legislation and public opinion, society has constantly to protect itself against that order. It is at best the order of a class—a very rich and very powerful class, no doubt,—and the successes it offers, the sacrifices it makes, and the morals it teaches are what that class approves in its own interests. But there is a point beyond which this economic order cannot go in its purely materialist pursuits. The sacrifice of child and woman life to its interest, the payment of sweating wages, and the supply of insanitary houses for its profits, are not

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allowed as freely as before. A new order is being quickened within it. A programme of social transformation is steadily being carried out, and this programme is not merely one of reform within the old order, and consistent with the old order, but its ideas, its purposes, and its sentiments are of a new world and a regenerated society.

We must have clear minds, however, as to how we are to proceed. To some it appears that the goal is to be reached under the guidance of the Co-operative movement. But the maximum success of that movement will fall far short of what is required. Co-operation cannot provide national industries like railways; it cannot break the land monopoly; at its best it can benefit shareholding co-operators, but not the whole nation. Moreover, its own success as a shop-keeping venture has obscured the purposes of its pioneers, and the gospel put into practice at Toad Lane, Rochdale, is denied annually at Co-operative Congresses. The Co-operative movement will change; it will return in time to its old idealism; it will adopt the spirit of the Belgians and become a regenerating influence acting side by side with Trade Unionism and Labour politics. But it cannot fulfil its purposes alone.

Still more inadequate is profit-sharing. That is only a patch on the Capitalist system, a buttress to a decaying fabric, of no fundamental value one way or

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another. Essentially it is an anti-Trade Union expedient, and has been brought forward by some of its leading advocates honestly labelled "anti-Trade Union."

Then there is the policy somewhat erroneously known as Old Trade Unionism. It consists in bargaining with employers without any idea of changing economic relationships. That is practically abandoned. A keener and clearer economic vision has shown working men that their employers are as much the victims of existing industrial circumstances as they are themselves, and that whilst these circumstances last, both man and master have freedom to move only within very narrow limits. Trade Unionism has therefore supplemented its workshop action by political action, for by political action alone can it enlarge the bounds of its freedom, can it break down the confining barriers of land and other monopoly, and stop up in the reservoir which holds national wealth the cracks through which there is such an enormous leakage of unearned income. The Trade Union conflict has become the national conflict; the field upon which it has to be fought out is the State, not the workshop; the weapon is to be the ballot-box and the Act of Parliament, not collective bargaining. The levelling up of the submerged sections of society can only be done by the political method of taxation coupled with social legislation, and Par-

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liament will not launch itself upon these voyages unless Labour in its various aspects is united for political purposes. The squire gives up a luxury, but his cottagers enjoy old age pensions; the charitable Lady Bountiful sells her charity basket, but her retainers have adequate medical attendance; a pug dog is abandoned, but a convalescent home is opened for Jane, the parlour-maid; a shilling per annum is put into Labour Party funds and £3,000,000 per annum is added to the sum paid for injuries under the Workmen's Compensation Act; wages are raised, sweating diminished, and life and limb guarded. Thus justice is done in the world and the condition of the wage-earner advanced.

This is the political method which is emerging from years of experimental effort and which is co-ordinating into a fellowship of mutual aid, Co-operation, Trade Unionism, and the State, with the moral organisations of the nation, helping them on.

The Insurance Act has been a starting point for an important development of industrial legislation. The Act has assumed that every wage-earner in the country is able to provide himself with at any rate a substantial part of the necessities of a tolerable life. The argument which produced the Act was in this simple form: "Sickness is a terrible industrial handicap; let the State, therefore, supplement the efforts of the individual to provide for himself adequate medical attend-

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ance." Nothing could be more praiseworthy, but the benevolent State is to find that in spite of contributions from itself and from employers, masses of wage-earners, owing either to low wages or to irregularity of employment or to both, cannot take advantage of the assistance offered to them. Year after year there are to be revealed to us massed battalions of workpeople who cannot come under the Act at all or who cannot keep in full benefit. Many of us have seen them before, but they have now acquired a new significance. They are to mock at our benevolence with their gaunt fingers. They are to be like a fatal flaw in a great piece of machinery. It will be utterly impossible for us to go on regardless of them now. The one danger ahead is that we shall give them as a charity the services for which they cannot pay. That, indeed, would be the most terrible of blunders. That would be using national wealth and resources in order to keep these battalions in their present state. The social reformer—especially he who is working to supplant the present economic order by a human one—may give fervent thanks that the Insurance Act was in the main kept on a contributory basis. For these people have now to be levelled up. They must become direct possessors of a larger part of the national income. The State has begun to say: "My very poorest people must be able to meet certain standard responsibilities." The poorest call back: "We cannot; not because we

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are drunkards and spendthrifts, but—since you yourself have taken care to provide that we do not finger the money which, you say, is necessary to carry out your benevolent will—because we never get the income to allow us to do it.” What is the State to do? It will not abandon its scheme, it will begin to readjust things so that the poor may have enough income to enable them to work with it. In other words, it will deny in a very important way the right of the economic order to class men among the items of production and give them what it pleases to call “market prices” for their labour. The market for labour is a totally different thing from the market for goods, and should be ruled by the laws of the human order, not by those of the economic order. Under the Labour State men and women are to have an exchange value which is to secure for them at least a tolerable standard of life. This can be fixed in various ways, but the State has already selected the method of Wages Boards, and they must now be applied to more and more industries. The economic order will, of course, compensate itself somewhat by selecting its workpeople and do injustice to those on the margins of efficiency. But that will only awaken further activities on the part of the State, which will again react on the economic order and limit its authority still more. What practical inconvenience may arise will last only through the transition time of adjustment whilst the old condi-

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tions are dislocated by the new policy.

This is how what are called "sweated trades" and trades where organisation of labour is weak or does not exist are to be dealt with.

But the organised trades ought not to accept this method, because they can employ a better one. One of the most common errors into which critics of Socialism fall is to assume that under Socialism the political State administration is to be the industrial State administration as well. That is not so. The political State must stand by the industrial State and vindicate it. But such matters as prices of labour will not and ought not to be settled by lawyers or politicians. That is the business of the industrial organisations. The rudiments of these organisations are already in existence in the shape of Trade Unions and Employers' Associations. At the present moment these bodies by agreements are more responsible for industrial peace than we seem to be aware. The State ought not to step in and supplant them by the somewhat political Wages Boards, with their compromises and their unreal standards of wages, standards which may have no relation to what a trade can or ought to pay in wages, and none to any living minimum. These voluntary agreements are far more business-like and scientific than Wages Boards' decisions, and the State ought to recognise them and encourage them by making them general to districts and trades. These agree-

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ments as a rule represent the highest conditions that can be obtained for the time being, and they have the merit of being *agreements* and not awards. They are menaced by the competition of firms which stand outside them and which try to increase their trade at the expense of their workmen's wages and of the business done by their more honourable competitors. One of the provoking causes of the second and disastrous transport strike in London was the withdrawal of a firm of carters from an agreement which it had signed, in order to compete with other firms by paying a lower scale of wages than they did. Quite clearly, it is the duty of the State under such circumstances to accept the agreement of the representatives of both interests and apply it like a Wages Board determination to every competitor in the trade.*

Unfortunately, when this proposal is made the employers wish to amplify it by dragging in other matters for which the time has not yet come. Whether Trade Unions should give security against breaches of these agreements, and, if so, what the security ought to be, should be left to be settled after experience. Some Unions give such security now; others will, no doubt, of their own free will do so when they are assured that the scheme will work fairly. But this question will be more easily and more satisfactorily settled if,

* Obviously this must be done in both cases by district and not national application.

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in the meantime, the confidence of the workmen is restored in the honourable intentions of employers. Employers take this reflection in a personal sense, but that is a mistake. Such experiences as the railway servants have had with the companies do not make only them suspicious of their superintendents, but destroy the belief of the working class as a whole in their employers in general. It becomes a class experience on both sides. If the State were, on application and after inquiry, to make agreements come to by men and employers in any trade common to that trade, it would give the good employer an advantage; it would regularise competition in a way that would be beneficial to all parties; it would not hamper the combinations of men or of employers, because the foundation of the whole scheme is voluntarism; and, above all, this seems to be the most politic first step to be taken towards some more complete machinery for securing industrial peace along with the progressive advance of working-class interests. Moreover, it is in accord with the most modern Socialist conception of the relation between the political and the industrial State.

The limitations imposed upon social reform within the system of Capitalism must, however, not be forgotten. I have already referred to them. Mere increases in wages are always to a certain extent only nominal, because they have to be paid for by increases in the cost of consumption. Twenty shillings cease to have the

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value of twenty shillings. That does not mean, as it has been hastily assumed in some quarters, that increases in wages are illusory. They are not dead-weights upon industry. They lead to economies in production; they are often the cause of improvements in productive machinery (it is said, for instance, that sweated wages in the clothing trade postponed the introduction of a button-hole machine); they secure for the workers a share in the increasing wealth of the country which otherwise would go to Capital or to Land in the shape of profits and rents. Wages is not the sole element in the cost of production, and therefore an increase in workmen's pay does not mean an equivalent increase in cost of living—even in such cases as those of the mines and the railways, where the capitalists were able to fix prices that did more than cover the extra wages they had to pay. Still, the owners of land and of the machinery of production and distribution are able to use social reform as a means of increasing the toll which Labour pays to Capital and Land. That is one dominant fact. And another is that if wages are forced up artificially by Boards of Conciliation, a point is reached when the argument for protection is irresistible and the nation then enters that vicious circle of economic artificiality when exploitation is greater and more profitable under a system of higher than under one of lower wages.

Owing to the existence of these two dominant facts,

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the State which begins to engraft Humanism upon Capitalism finds itself faced with two great alternatives. It must either adopt the futile policy of Protection or the Socialist policy of Nationalisation. Protection does not remove the first fact, but makes it still more dominant. In fact the real purpose of Protection is to maintain the dominance and exploiting power of monopoly. Only when the monopolised agents in wealth production and distribution are held by the State and used by the State to facilitate the establishment of the human order, is real progress made.

The programme of legislation which I believe will issue from the Insurance Act must, therefore, be supplemented by one of Nationalisation, and the most obvious directions in which this has to be applied, to begin with, are the land, the mines, and the railways.

This phase of Nationalisation is quite distinct from that of Municipalisation. The latter was a move towards economy in the main. It had other features, however, public trams being better and offering higher standards of employment and lower fares than private ones; public gas being better, as well as cheaper, than private gas, and so on. But the fact remains that the consideration which had most influence with municipalities, when twenty years ago they began to acquire the more important of the public services, was that from the profits they could reduce rates. Nationalisation offers a different kind of inducement. It is being

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promoted in order to retain for social use benefits designed for the whole nation, to keep increases of wages in the pockets of the individual worker, and to prevent exploitation. Until we nationalise we are like people who pump water into a reservoir the banks of which are too low. They want more water; they pump more in; the reservoir gets no deeper, but the overflow gets ampler and ampler. The containing banks have to be built up higher. The policy of Nationalisation is devised to retain in the pockets and the living standards of the people the gains which under present conditions are drained off into other pockets and show themselves in the standards of small classes. Without it all social reform must be disappointing in its realised results. Legislation cannot set aside economic law. We have heard that truth propounded till we are sick of it. Nationalisation does not pretend to attempt the impossible. It does not propose to set aside economic law; it proposes to make it an ally of legislation, and it is the only policy which does so. At present economic law works in a realm of its own where legislation enters as a kind of enemy; Nationalisation will end this by making economic law and not merely legislation serve public purposes. It is true, however, that all the gains of high wages and good conditions will not be retained, for we now buy things that are cheap because they have not paid a living wage. When they do pay such

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a wage their prices will rise. But when that is taken into account the general standard of life will still rise substantially, even if we were not to add a shilling to the present value of our national production. There will be more raw material, especially land, available for Labour; there will be less wasteful management; there will be fewer non-producers, and these savings will far more than compensate for the extra costs of a living wage. So the levelling up will not be at the bottom only, but right up through the producing classes.

Above all, with the transformation of the economic order, the irritations which produce general resentment and unsettlement will disappear. Massed wealth will not then challenge at once our good taste and our moral sense, and the unfair encroachments upon the liberties of those who work for wages, by those who own the means by which men make a living, will be unknown. Changes there still will be which will readjust and temporarily displace labour, but they will be made in such a way as to minimise the suffering and show the victims that every concern has been taken regarding them. Then, and only then, will there be peace.

APPENDIX



APPENDIX

AS THIS BOOK WAS PASSING THROUGH the press a valuable Report on Prices and Wages was published by the Board of Trade.* The Report bears out the general statements on the subject made in the body of the book, but it supplies important details which were not available when I wrote.

The extraordinary differences in rent between the centre of London and towns in the Midlands (if 100 be taken as the standard in the first case, 52·3 is that in the second) are, in the main, explainable by the operations of land monopoly. The increases in seven years are, however, slight except in places of rapidly developing size, like Coventry, where they have been as much as 18 per cent.

The movement in retail prices, calculated on articles which are consumed in working-class households and in proportion to the amount of these articles used, has been very marked, though again it varies considerably between town and town. Between 1905 and 1912 the working-class household in Stockport has had its food bills increased by 20 per cent.; Blackburn, Bolton, Liverpool, Bootle, Swansea, and Wigan show increases of 18 per cent.; Birkenhead, Burnley, Aberdeen, 16 per cent.; Bradford, Halifax, Keighley, Leicester, Manchester, 15 per cent.; and so on: Ports-

* *Report of an Enquiry into Working-class Rents and Retail Prices, together with the Rates of Wages in certain Occupations in Industrial Towns of the United Kingdom in 1912.* Cd. 6955.

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mouth, where prices have risen least of all, showing an increase of 7 per cent. "The mean of the increases in the 88 towns is 13·7 per cent. If the figures for the separate towns be weighted according to population the resultant average is unchanged if London be omitted, but reduced to 13·0 per cent. if London be included." That means that in 1912 a sum of 22s. 8d. was required to purchase food which in 1905 could have been bought for 20s. And it is interesting to note that it was in Lancashire, the centre of the unrest of labour, that food prices rose most. In Lancashire and Cheshire the increase was 15·8 per cent. (in other words, in buying food the sovereign of 1905 was worth about 17s. 4d. in 1912); in Wales and Monmouth, 15 per cent.; in the Midlands, 14·4 per cent.; in Yorkshire, excepting Cleveland, 14 per cent.; down to the Southern counties, the increase for which is 9·8 per cent.

A series of tables also shows how the price of clothing has risen. It is at least 10 per cent., though the Board of Trade, in stating its conclusions under this head, will not commit itself to anything more definite than that "the cumulative effect of these independent tests is such that there can be no doubt as to the upward direction of the cost of clothing in the period."

A further section gives the result when rents and prices are combined. Blackburn, Bolton, Stockport,

APPENDIX

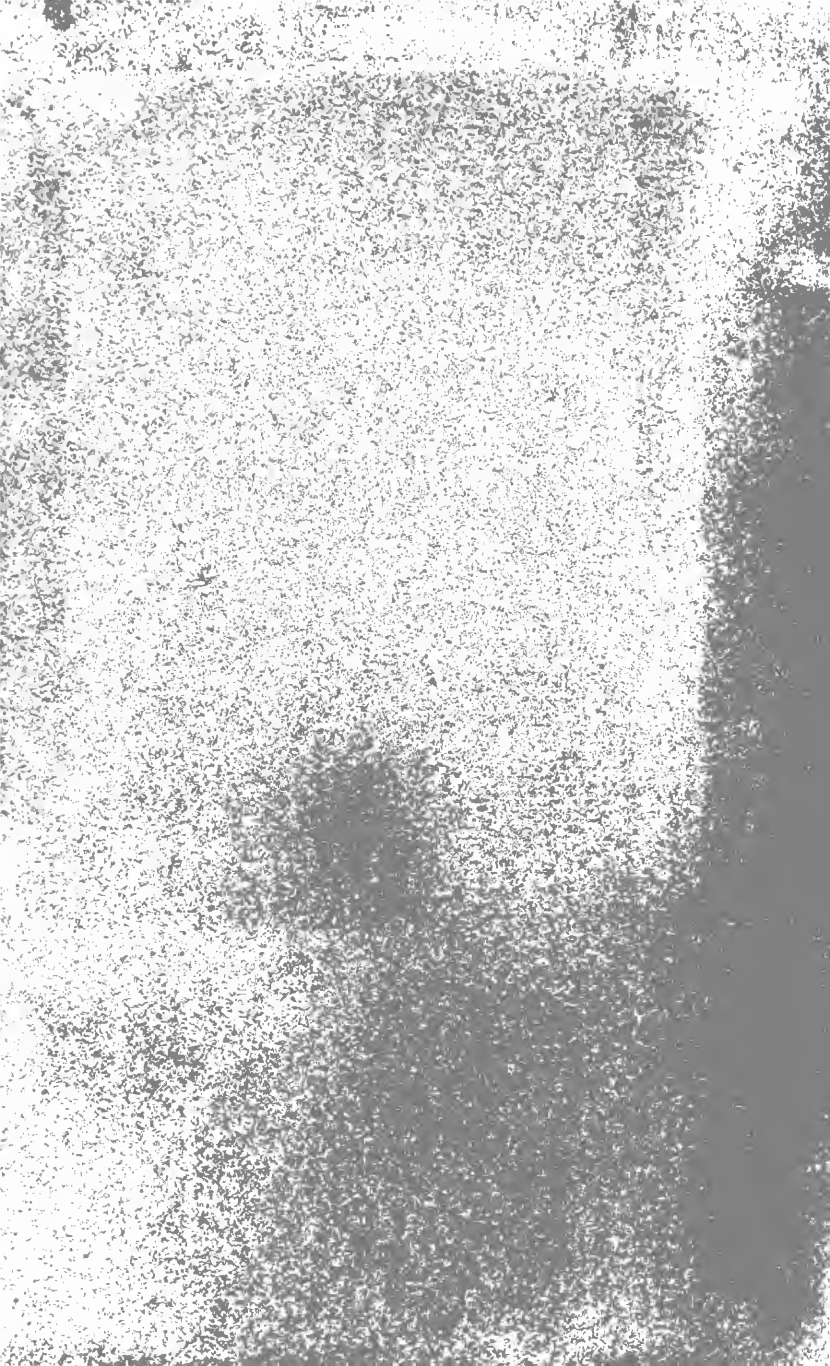
Swansea, Wigan then show an increase of 16 per cent. from 1905 to 1912; Coventry and Preston, 15 per cent.; Liverpool, 14 per cent.; Burnley, Leicester, Stoke-on-Trent, 13 per cent.—down to Swindon, which shows an increase of 5 per cent. only. The average of the combined increase works out at 13·7 per cent., London being omitted.

To make these figures more definite, I may summarise the tables relating to Leicester, which may be taken as a fairly average Midland town. The wages of its builders' labourers during the seven years under review increased by 6 per cent., and those of its compositors by 3 per cent. The wages in the trades investigated with a view to ascertaining the meaning of these increases in costs in terms of standards of life were otherwise stationary. Its rents increased by 6 per cent., the price of its food and coal by 15 per cent.

We thus see a steady pressure upon working-class families driving them downwards. From whatever point of view one studies the position of the working classes in the first decade of this century, one sees retrogression. Wages fell; compared with their economic standard of half a dozen years before, they were down; compared with the position of the wealthy classes, they were down. National wealth had substantially increased; working-class economic standards had substantially decreased. The rich had become richer and the poor poorer.







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