

"Anti-Socialism in British Politics c.1900-22: the Emergence of a Counter-Ideology."

James Nicholas Peters, Nuffield College, Oxford.

Faculty of Modern History.

D.Phil., Hilary Term 1992.

Abstract.

The thesis, "Anti-Socialism in British Politics, 1900-1922," is an attempt to combine the approaches of intellectual and political history in explaining the development of Conservative Party politics at a crucial period of social and political change. It pays particular attention to the relationship between political thought and action through the medium of 'ideology.' It attempts to illuminate this process with an extended case-study of the ideological opposition to 'Socialism' between 1880s and 1920s; it then traces the impact of these ideas to the strategic calculations and policy programmes of the Conservative party. It concludes by arguing that the ideological character of inter-war Conservatism can be best understood by reference to its resistance to Socialism, and it is through this doctrinal prism that the transformation of the Party into one dedicated to protecting the interests of industrialists and the middle-class, suburban salariat can be best understood. The thesis examines the processes of ideological innovation and operationalisation by which these interests were appealed to, and also reveals the political constraints which prevented Conservatives making too overt an appeal to the property-owning classes. The first half of the thesis is concerned with various intellectual and ideological responses to 'Socialism'; the contents of these critiques are treated as interesting in their own right, but are also related to the demands of a wider political culture, particularly as they were constructed with political needs in mind. The second half examines the political impact of Anti-Socialism in British politics at local and national level after 1906. It concludes by arguing that the relationship between Conservatism and the free market, limited government ideal of 'liberal' Individualism was closer than sometimes argued, that 'Anti-Socialism' brought the two creeds together, but in the end it was the 'common sense' Conservative modification of the Individualist creed which dominated political rhetoric and helped overcome many of the hidden tensions present in creating a Party for the 'property-owning democracy.'

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Abstract

The primary aim of this thesis is to improve our understanding of the British Conservative party in the early twentieth century. It argues that we can best comprehend the transformation of the Conservative Party from an essentially landed, Anglican grouping committed to the defence of specific vested interests to a broad-based party of the inter-war years which defended the interests of all property-owners, through its successful construction of an Anti-Socialist identity. The ascendancy which the Conservatives appeared to have achieved in the 1920s was based essentially on 'negative' allegiances, and it is argued that the role of 'counter-ideologies' such as 'Anti-Socialism' was probably a more important factor than the 'positive' versions of 'progressive,' and 'interventionist' Conservatism in modernising the Party's appeal in the twentieth century. Strangely enough, the Conservative reaction to 'Labour' and 'Socialism' has not yet enjoyed anything more than a cursory and episodic treatment, in spite of being a major preoccupation of contemporary Conservatives.

The thesis of the transformation of the Conservative Party into a 'Party of all Property' is well established in recent historiography. However comparatively little effort has been made to show how the process actually occurred, by examining the changing messages of the Conservative Party to particular social groups considered to be essential to realising the strategy.

The movement of such varied groups as Whig landlords, Liberal businessmen and professionals, and the increasingly significant lower middle class elector towards Conservatism did not occur by invisible processes of sociological attraction. The Conservative Party had to put considerable effort into winning over such support, and the nature of this support remained uncertain even in the 1920s. It required devising strategies, which combined material incentives with a unifying rhetoric, which would help incorporate varied classes of voter, by submerging internal conflicts of interest. In such circumstances 'ideology' acquired a new salience as a means of rebuilding the Conservatives' identity.

The thesis therefore gives a higher profile to 'ideology' and doctrine in examining Conservative self-perception and attitudes to political strategy than has been usually the case. By and large the historiography of British Conservatism has ignored the problem of 'ideology,' concentrating instead on strategic calculation and manoeuvre in explaining both the late-Victorian and inter-war successes of the Conservative Party. At the same time, a disjuncture opens up between Conservative doctrine and practice when attention is concentrated on a 'Tory tradition' of political thinkers which is more concerned with showing the internal consistency of a free floating 'tradition' than uncovering the role of Conservative ideology as a response to the problems of everyday politics. The thesis thus aims to break down these barriers by showing how politicians and publicists used Anti-Socialist doctrines in response to different audiences.

The thesis also tries to make a modest contribution to a broader methodological agenda of bringing together the approaches of intellectual and political history. It does this not only by restoring the importance of ideology in interpreting political action, but showing, in turn, how such ideologies are not closed phenomena, but strongly contextualised constructs. It pays particular attention therefore to the patterns of communication between the 'intelligentsia' and politicians engaged in resisting Socialism,

and between politicians and the public. This attention to the deployment of political language demonstrates how the strategic needs of a political party determine the relevance of particular concepts and vocabularies for an ideology. In the case of Anti-Socialism, there was competition between 'libertarian' and 'authoritarian' versions of criticism according to differing circumstance, as well as considerable disagreement whether Anti-Socialism should be seen as synonymous with Individualism.

A study of the doctrinal content of 'Anti-Socialism' also proved useful in illuminating the exact relationship between Individualism, (classical liberalism) and Conservatism. In general, it was found that the relationship between the two ideologies was closer than sometimes believed. As Liberals committed to the ideal of the minimal state and free market, so Conservatives who felt that their ideal of limited government was threatened by *étatiste* tendencies of 'Socialistic interference' began to borrow the language and concepts of Individualism. The result was not, of course, a perfect synthesis of the two philosophies; distinctive differences remained, but increasingly they were outweighed by the similarities of their critiques and common interests in resisting Socialism.

What was incorporated into Conservative doctrine was not however the sophisticated and stringent political theories of the Spencerian Individualists (which were generally much more coherent and rigorous than those of their Conservative counterparts), but a 'common-sense' Individualism, based on an entrenched libertarianism common to both creeds -- hostility to the authoritarian statism of Socialism, to its dependence on bureaucracy and a planned economy, a corresponding celebration of the 'independence' of all classes from political domination, a strong defence of the creative contributions of an entrepreneurial elite. Conservatives had become aware of the need to combat 'Socialism' at a relatively early stage, after the 'socialistic' attack on landlordism made in the early 1880s. The rhetorical power of the Georgian concept of unearned

increment, and its later adoption by non-Marxian Socialists, had revealed all too clearly to Conservatives the obsolescence of their traditional defences of landownership. Instead they sought to meet the challenge indirectly by placing the entrepreneur and manager as the main ideological bulwarks against the deadening grip of State Socialism. The Conservatives projected an alternative to the interventionist state desired by both New Liberals and Socialists of a basically free economy able to produce sufficient wealth to allow the state the discretion of introducing limited welfare reforms.

Conservatives could not however push such 'Individualist' commitments to the logical conclusions desired by their *soi-disant* adherents, even if they wished to do so. The impact of Socialism made the Conservatives acutely aware of the need to retain support amongst the industrial working classes; playing on this class's suspicions of the state was insufficient, especially when New Liberal theories began to find legislative reality after 1906. Conservatives had always recognised the need to balance their varying commitments to 'Property' and to 'social reform.' However the heightened ideological self-consciousness caused by 'Socialism' made it increasingly difficult to find a convincing rhetoric with which to harmonise the two aspirations. The pervasiveness of Individualist rhetoric from the 1880s ensured that even the most tentative Conservative proposals for social reform provoked a degree of opposition which would not have occurred in pre-Socialist days. Overcoming this Individualist rump was less of a problem than stimulating the interest of mainstream Unionists to support such reforms. Anti-Socialism was an attractive platform because it did not usually require detailed policy initiatives. When the strategy of resistance failed however, divisions soon emerged within Conservative ranks between 'reformers' and 'non-interventionists,' and these were particularly acute

after 1906, at the very moment when 'Socialism' was becoming an important political issue.

These divisions resulting from competing 'positive' and 'negative' interpretations of Anti-Socialism were shown in their most extreme form in the numerous pressure-groups which were formed in this period to exploit the Socialist issue. The thesis pays particular attention to such groups not only because they most clearly reveal the conflicts between doctrinaire Individualist and moderate Anti-Socialist strategies, but also because they show the process by which the Unionist Party tried to capture the Anti-Socialist agitation for its purposes, excluding in the process the more 'dangerous' versions of independent groups, such as the ultra-Individualist Liberty and Property Defence League and the British Constitution Association. At the same time such pressure groups could exploit rank-and-file dissent within the Conservative Party if the leadership appeared too supine in face of working-class demands, and seemed correspondingly indifferent to the problems of the propertied classes. Pressure groups with their distinct ideological identities proved particularly effective in presenting 'Socialism' to the public in this potentially transformative way. The pressure-group provides an ideal case for studying some of the claims made about the relationship between 'thought' and 'practice' defended in this thesis.

The thesis is organised into two main sections; Part One, (Chapters One to Three), deals with the ideological construction of a critique of 'Socialism' practically from scratch in the 1880s. Part Two, Chapters Four to Six, traces the diffusion and utilisation of such arguments in the political arena, when Socialism became a distinct *political* issue in the early

Edwardian period. Chapter One deals with the critical reactions to Socialism made in the late-nineteenth century in books and periodical articles. It attempts to show how the understanding of 'Socialism' as a new form of state interventionism, even amongst its critics, in the early 1880s, was displaced, after the recognition of the theories of Continental Socialists like Lassalle, Marx and his British followers. A new paradigm of 'Socialism' was created which emphasised the idea of state ownership of productive resources, which mirrored the beliefs of the most doctrinaire British Socialists. Radically different conclusions were drawn however by Anti-Socialists in their emphasis on the authoritarian potential of the perceived Socialist commitment to a planned economy, as well as all the restrictions attendant on individual liberty and social institutions like the family in the introduction of such a system. It was believed that such a critique had immediate purchase in all classes given the widespread dislike of an authoritarian state and the dependence it entailed.

The critiques outlined in Chapter One did not form a coherent ideological alternative to the New Liberalism and Socialism. The most encompassing 'positive' critique of Socialism was that made by the Individualists, whose commitment to the minimal state and free market offered a distinct alternative not only to 'pure' Socialism, but also the differing forms of interventionism which went under the name of socialistic interference. Chapters Two and Three look at two distinctive 'Individualist' responses to Socialism. Individualism is shown to have been a distinct product of the debate on 'Socialism' and not a simple restatement of the pieties of mid-Victorian Liberalism. Its stringency in advocating a 'night-watchman' state and the social and economic theories which it used to

defend a belief in the natural development of a truly Individualist society were new. However the extremism of this creed, together with its failure to provide empirical refutation of the claims of 'socialistic interference' effectively removed it from the arena of practical politics by 1900. Conservatives were increasingly wary of its politically subversive effect on established institutions, whilst dissatisfied with its inability to offer remedies for perceived economic decline. Conservatives were however prepared to adapt Individualist doctrines in attacking Socialism; as a result a distinctive 'Individualist' Conservatism emerged in the 1880s which insisted that Conservatives should offer a more coherent defence of capitalism than had been the case in the past. The thinker who most clearly exemplified this trend was William Hurrell Mallock, who was probably the most prolific Anti-Socialist polemicist writing in the period covered by the thesis. Mallock's penetrating but accessible criticisms of the labour theory of value, and his powerful defence of the entrepreneur as the key agent in economic progress, did a good deal to modernise Conservative rhetoric, albeit indirectly, and produced an ideal which could be used to counter left-wing doctrines based on the idea of the 'unearned increment.'

Chapter Four looks at the role of Anti-Socialism in the attempt to limit the functions and power of local government in Edwardian Britain. This campaign was initially the most purely 'Individualist' of those examined by the thesis. An alliance of Individualist doctrinaires and private companies aimed to roll back the frontiers of the local state by returning municipally-owned utilities to the private sector. The attempt to impose legal restrictions on the activities of the municipality failed, and Anti-Socialists were left with the more modest but enduring success of exploiting

the discontent of the ratepayers at the wasteful expenditure of the local bureaucracy. This strategy is shown to have been highly successful in the London municipal elections in 1906-7, when the suburban ratepayers were mobilised against the demands for greater expenditure of poorer areas. Despite the force of Anti-Socialist propaganda in the campaigns, much of the success was attributable to underlying autonomous crises in both local taxation and municipal ownership.

Chapter Five examines the impact of Anti-Socialism in national politics after 1906, when a weakened and divided Unionist party was faced by the dual challenges of the Labour Party and a reforming Liberal government. It attempts to show how pre-existing divisions over fiscal policy were made more intractable once they were overlaid by the debate between Individualism versus Collectivism. Some Free Trade Unionists argued that the leadership should exploit middle class fears about Socialism in order to return to power, whilst they were challenged by the diametrically opposite view of 'radical' tariff reformers who wanted a policy of integrated fiscal and social reform to draw the working classes away from Labour. Ultimately neither strategy prevailed as the leadership strove to preserve unity by accepting tariff reform without a concomitant commitment to social legislation. This proved ineffective because it was an insufficient base from which to launch an effective counter-offensive against Socialism.

The final chapter looks at how these tensions were apparently resolved in the post-war period, when some of the conditions for a broad-based Anti-Socialist reaction were present; a state which had greatly extended its interference during the war, high levels of public expenditure and taxation, inflationary conditions apparently exacerbated by the militancy of the unionised working class. These conditions led to a growing politicisation of the middle classes, keen to restore normality by pushing back the sphere of state intervention, and trimming the power of a potentially Bolshevised

working class by cutting public expenditure and undermining inflation. Middle class militancy saw Anti-Socialist rhetoric gain ascendancy with both the Coalition's supporters and its enemies. The concludes by arguing that this ideologically static version of resistance to Socialism helped the Conservatives win over many nervous Liberal voters in the 1920s, though it was ultimately unable to respond effectively to the new conditions of the Depression years.

The thesis will thus be understood to employ a broadly thematic and case-study approach to an area of political experience which has been frequently acknowledged as important by historians in general terms but never examined as a particular way of understanding the British Right between 1880-1920. This broad approach requires the utilisation of a very wide range of sources, and the thesis has drawn on contemporary books and articles, party propaganda and the private papers and records of politicians and pressure groups in almost equal measure, in line with its desire to reconstruct fully the various dimensions of the debate. It is maintained that there is a coherence and purpose in the structure adopted as it shows how a particular ideological strategy came to the forefront in Conservative politics over a period of time. It was not of course the sole doctrinal discourse present in Conservatism of the period, and such a thesis will unfortunately be forced to ignore the relative importance of competing ideals in the Conservative mentality. Even so it argued that Anti-Socialism was the most pervasive and valuable platform available to Conservatives in this period, and which best explains the development of that Party into its recognisably modern form as the party committed to the 'property-owning democracy.'

**ANTI-SOCIALISM IN BRITISH POLITICS, c.1900-1922: THE
EMERGENCE OF A COUNTER-IDEOLOGY.**



James Nicholas Peters.

Nuffield College, Oxford

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Abbreviations

(i) The following abbreviations are used for manuscript collections:

ACP -- Austen Chamberlain Papers

BP -- Balfour Papers.

BLP -- Bonar Law Papers.

BMP -- Blumenfeld Papers.

CP -- Cromer Papers.

JSP -- Sandars Papers.

MP -- Maxse Papers.

MSP -- Fourth Marquess of Salisbury Papers.

MTP -- Mount Temple Papers.

RCP -- Robert Cecil Papers.

SP -- Strachey Papers.

WLP -- Walter Long Papers.

(ii) The following abbreviations are used for important periodicals:

CR -- *Contemporary Review*.

FR -- *Fortnightly Review*.

NC -- *Nineteenth Century (and after)*.

NR -- *National Review*.

QR -- *Quarterly Review*.

(iii) The following abbreviations are used for organisations and pressure groups:

ASU -- Anti-Socialist Union.

AWL -- Anti-Waste League.

BCA -- British Constitution Association.

BPL -- Budget Protest League.

IFL -- Industrial Freedom League.

LCC -- London County Council.

LMS -- London Municipal Society.

LPDL -- Liberty and Property Defence League.

MCDO -- Middle Classes Defence Organisation.

MCU -- Middle Classes Union.

NUA -- National Union Association.

PRA -- Personal Rights Association.

PUE -- People's Union for Economy.

UFT -- Unionist Free Trade.

(iv) Note: The place of publication for books unless otherwise stated is London.

Introduction: Rethinking the Ideology of British Conservatism.

"(M)uch greater ingenuity and a much greater imaginative endeavour have been brought into play upon the whigs, progressives and even revolutionaries of the past, than have been exercised upon the elucidation of Tories, conservatives and reactionaries."

Herbert Butterfield, *The Whig Interpretation of History*, (1931), p.95.

This thesis is a modest attempt to redress the historiographical imbalance noticed and criticised by Butterfield many years ago. Although British Conservatism as a political and ideological phenomenon cannot be said to have been neglected by historians in recent years, much more attention has been focussed on the experiences of Liberalism and Socialism. Our understanding of the historical experience of the British Conservative Party has grown steadily with a stream of monographs published on various political figures, organisations and detailed studies of particular political episodes which cast light on the strategies and constraints faced by Conservatives at crucial periods in the Party's history. Other areas remain neglected however; comparatively little work has been undertaken on the 'low' politics of Conservatism -- the political experiences of the Conservative rank-and-file, and the Party's relationship with wider social constituencies. In addition we lack studies of Conservatism as a force in local politics and of the differing regional experiences of British Conservatives in the 19th and 20th centuries.

Yet the greatest lacuna is in the area of Conservative ideology, and its relationship to a wider (and not necessarily Conservative) intelligentsia on the one hand, and to Conservative strategy on the other.¹ The primary

¹ Exceptions are A.Boyd Hilton *Corn, Cash and Commerce*, (Oxford 1977), Paul Smith, *Disraelian Conservatism and Social Reform*, (1967), and Gerald Webber, *The Ideology of the British Right 1918-39*, (1986).

aim of this thesis is to provide such a case-study of the relationship between Conservative ideology and political practice; it is both a study of Conservatism and of the Conservative Party, and is untypical in its denial that there should be an analytical separation between these two areas of political experience. It seeks to do this through an extended study of the political and intellectual opposition to 'socialism' between 1880-1920 in order to establish some of the connections between ideology, interest and strategy in Conservative politics.

It will be argued that our understanding of the substance and form of Conservative ideology in the late nineteenth and twentieth centuries will be enhanced by appreciating the extent to which its doctrine was reshaped by the 'negative' sub-ideology of 'Anti-Socialism' and concludes by considering the particular forms and influence that this discourse enjoyed within the Conservative Party. It may be in such an interpretation that our understanding of Conservatism as an ideology is improved, if its doctrinal creativity is seen as a response to periodic external ideological challenges, rather than as the product of sustained internal debate about its conceptual consistency as a particular ideology.

It will be contended in the following pages that the reconstruction of conservative ideology is impossible if attention is confined merely to a Conservative sub-culture of politicians and journalists, with opinion in the wider intellectual and political communities being ignored. The discourse of 'Anti-Socialism' was not in the first case the product of the intellectual musings of the Conservative political elite; in fact the framework of the debate over 'Socialism' was structured by the concerns of the political classes and intelligentsia as a whole. Some Conservatives were aware from a comparatively early stage of the need to adapt their beliefs to the Socialist challenge but in general as late-Victorian Britain lacked a distinctly

separate and powerful 'Conservative' intelligentsia, there was no distinctive 'Conservative' discourse on 'Socialism' which employed idioms and vocabulary which were wholly distinct from the wider debate.

The recognition of this fact reveals a point of more general methodological significance; that political 'ideologies' are not generally closed and exclusive phenomena, but are contextualised constructs, serving wider social and political needs (though not simply reducible to these needs), whose form is partly structured by debate with other ideologies, by incorporating and adapting concepts and idioms which have previously been associated with other ideologies.² The thesis intends to reveal this process in its discussion of the relationship between 'Conservatism' and 'Individualism' -- the two late-Victorian ideologies which were most antagonistic to 'Socialism.' Political imperatives, and to a lesser extent ideological imperatives, dictated that there should be closer cooperation between the two belief-systems.³ One result of this was a blurring of the ideological distinctions between the two; as Individualists increasingly defended their doctrines in terms more usually associated with Conservatism, so Conservatives tried to adapt to the Socialist threat by using the concepts and idioms connected with the 'laissez-faire' philosophy of Individualism. This was however no simple matter of an ideological merger, rather it involved the sharing of concepts and attitudes between two specific

² See the sensible comments of W.H.Greenleaf, *The British Political Tradition*, volume 2: *The Ideological Heritage* vol.2 , (1983), p.9, on this relativism: "(T)he emphasis of a political doctrine is always changing, continually being modified. Its exposition is subject not only to the spell of intellectual fashion, the current convictions of political debate, and varied possibilities of different modes of expression, it is also, to an important extent, at the mercy of circumstances, the demands of a particular situation, and all sorts of external pressures."

³ For recent recognitions of this development, see Noel O'Sullivan, *Conservatism*, (1976), pp.111-16, esp. p.111; noting that with the rise of socialism, " conservatism visibly begins to adopt and defend the liberal values it had formerly opposed." and Greenleaf, *Ideological Heritage*, pp.263-308.

ideologies in the face of a common foe. The extent and limits of this interaction is pursued from both perspectives in Chapters 2 and 3.

The thesis is therefore concerned with the problem of ideological transformation -- a problem which is usually ignored by both historians of ideas and political historians. The former often explain it away by subsuming and sterilising such conflicts within the embrace of a consensual political tradition -- a weakness which has been particularly noticeable in studies of 'Conservatism.' The latter, if they consider ideology to be an appropriate factor in explaining action at all, often see it as derivative and unproblematic, a response rather than a cause of political and social change. Evidence for this view is shown in the repeated discussions of the 'transformation' of Conservatism in the late-nineteenth century from essentially a party of the landed interest to one which appealed to property-owners in general. In this case the associated problem of ideology is either dismissed by a rather crude sociological reductionism or ignored altogether in 'high' political accounts of Conservative success. Both approaches ignore the more general need to explain how contemporaries understood their dilemma in terms of their beliefs. Further if the 'transformation' thesis requires modification, simplistic reductionism must be replaced by a more accurate and nuanced analysis of élite beliefs in order to account for internal divisions over the question of 'property.' Thus a study like Avner Offer's *Property and Politics* rightly restores attention towards some of the internal difficulties involved in building an alliance of 'Property' in the late nineteenth century by stressing the appeal of radical liberal views on landlordism to many of the middle classes who felt themselves exploited by this class.⁴ Furthermore the question of political belief was of central importance in explaining how Conservative élites legitimised an existing

⁴ Avner Offer, *Property and Politics 1870-1914*, (Camb.1981).

social structure to those believed to be potentially susceptible to the attractions of Socialism.

Fortunately it appears that many of the methodological considerations advanced in this thesis have won increasing backing from intellectual and political historians of the period in the past decade. As historians of ideas have come under the pervasive sway of 'contextualist' approaches,⁵ so political historians have veered away from explaining political activity in isolation from the beliefs which informed it. The divorce between 'ideas' and 'politics' was a long-standing weakness of British historiography, but it took the challenging approach of the 'high politics' approach of the Peterhouse school in the late 1960s and 1970s to provoke a reaction towards a more satisfying account of the interaction between 'doctrine' and 'practice.'⁶ The assumption behind the new approach is, as J.P.Parry has summarised it, that "while rejecting the notion that elaborated theory can usually be assigned any very specific influence in the shaping of detailed policy, it asserts that prejudices, and 'ideas' in a less developed form ought not to be ignored by the historian."⁷

⁵ Stefan Collini, *Liberalism and Sociology: L.T.Hobhouse and Political Argument in England, 1880-1914*, (Cambridge 1979) was an important and self-conscious attempt to apply a 'Skinnerian' methodology to the Victorian period. It has since been followed by many monographs, which even if they do not employ the methodological doctrines associated with Skinner, proclaim an allegiance to integrating an ideology within a particular historical context.

⁶ For the 'Peterhouse' approach, see the useful essay by Richard Brent, "Butterfield's Tories: 'High Politics and the Writing of Modern British Political History'" *Historical Journal* 30.4, 1987, pp.943-954. For recent recognitions of the importance of 'ideology' by historians associated with this school, see Michael Bentley, "Party, Doctrine and Thought" in M.Bentley and J.Stevenson, *High and Low Politics in Modern Britain*, (Oxford 1983), pp.123-53, and Maurice Cowling, *Religion and Public Doctrine in Modern England*, vol. 1, (Camb.1980), esp. pp.xi-xiv.

⁷ J.P.Parry, *Democracy and Religion: Gladstone and the Liberal Party 1867-75*, (Camb.1986), p.3. For some pertinent remarks on the changing nature of political history see his article, "The State of Political History" *HJ* 26.2, 1983, pp.469-84. Cf. Michael Freedman's point "If politics is indeed the *art* of the possible, the *range* of the possible is the realm of ideology." in "The Stranger at the Feast: Ideology and Public Policy in twentieth century Britain" *Twentieth Century British History* 1.1, 1990, p.24.

This thesis attempts to develop such an approach. It does not approach the study of 'Conservatism' in this period at a high level of philosophical abstraction -- indeed as the 'Socialist' challenge did not produce a late-Victorian Burke (or an Oakeshott) then the 'great man' approach to ideological formulation is already ruled out. However the main aim of the thesis is not to add (directly) to the elucidation of a trans-historical conservative doctrinal canon, but to reconstruct the nature of the interaction between belief and practice in response to a specific and fundamental problem for Conservatives over a period of time sufficient to demonstrate the reality of structural ideological change. It therefore looks sympathetically at the approach to the study of ideology which stresses the 'middle principles of politics' i.e those "ideas which lie midway between philosophy and the hustings."⁸ Such an approach has a number of advantages, it allows the historian to utilise a wide range of source material; newspapers, pamphlets and Parliamentary debates as well as books and periodical articles. It demonstrates not only how doctrine structures political action, but also how the needs of political strategy can determine the relevance of particular concepts and vocabularies for a particular political ideology.⁹ It is clear that this approach will demand that close attention be paid to the uses of political language in the public arena in determining the relationship between the comparatively small group of ideological producers, the 'intelligentsia', and those who 'consume' such ideas; the political classes and their constituents.¹⁰ The relationships

⁸ Rodney Barker, *Political Ideas in Modern Britain*, (1978), p.3.

⁹ For a recent, and important, overview on possible approaches to this problem see Michael Freedon, "The Stranger at the Feast" pp.9-34.

¹⁰ Cf. M.Bentley, "Party, Doctrine and Thought", p.141 on the importance of "holding a language": "it would place the language of the platform and the parliamentary report side by side with the message of intellectuals, churchmen and journalists." Bentley's point is that the constraints imposed on politicians by 'doctrinal' language have a political value, quite as

between these various groups are complex, involving constant adaptation and modification of ideas by politicians in accordance with their perception of the political and social needs an ideology is meant to serve. Furthermore by concentrating on this process of ideological diffusion, showing how different arguments were employed by different actors, it is possible to detect the strategic uses of ideology; how it is used to retain existing support, win over new support, and provide a measure of consistency necessary to govern political parties.

The thesis also pays particular attention to the role of ‘pressure’ groups which had a key mediating role in transferring and transforming the critiques of Socialism developed outside of main political sphere to the world of ‘high’ politics. This relationship was problematic as pressure groups could be used both to promote ideological concerns, and to control them by using the formalised and simplified language of Party propaganda. Conservatives established quasi-autonomous pressure groups like the Anti-Socialist Union, Budget Protest League and London Municipal Society to try and achieve overall control of anti-socialist propaganda against ‘dissident’ independent groups, like the Liberty and Property Defence League and the Middle Classes Union, which tried to exploit discontent at Conservative ‘concessions’ to Socialism. The history of particular pressure groups is thus a key indicator of the progress of the Anti-Socialist issue between the 1880s and 1920s, and demonstrates the growing professionalisation of party propaganda.¹¹

It might appear that some justification is required for the decision to concentrate on the ‘negative’ political discourse of Anti-Socialism. It could be

important as the ‘opportunistic,’ non-doctrinal approach to political calculation.

¹¹ See Frans Coetzee, *For Party or Country: Nationalism and the dilemmas of Popular Conservatism in Edwardian England*, (New York 1990), for a general discussion of this problem for the Right before 1914.

objected that the content of its arguments would be wholly derivative, merely negating those produced by 'Socialists,' and consequently it could be maintained that the operation of such 'static' arguments was not problematic. This is of course a problem for any student of conservative ideology -- the function of conservative argument is invariably to deflate and erode the pretensions of other 'grand' ideologies. Yet the lack of doctrinal self-consciousness is often exaggerated by the disingenuous appeal to 'common sense' beliefs to combat innovative ones. Yet these objections can be met by examining how 'ideology' actually operates in practice -- not only do 'negative' discourses rest on a host of more positive ideological assumptions, which are ordered to serve a particular political end,¹² but it is often the case that resistance shapes the content of even successful radical doctrines and policies -- the virtues of 'gradualism' are always double edged.¹³

In the debate over 'Socialism' Conservatives were pursuing a number of different strategies -- they were attempting to gain a rhetorical hegemony for a particular public meaning of 'Socialism' which would arouse rejection in the vast mass of the public (and not just the Conservative electorate); in connection with this aim, they tried to associate Liberal policies with the same aspirations as Socialism or else guilty of unintentionally promoting 'Socialist' objects with ill-judged legislation. Conservatives saw that if they were successful in promoting the belief that future politics would revolve around a simple struggle between 'Socialism' and 'Anti-Socialism', then they could destroy the political power of Liberalism by claiming that its social

¹² M.Fforde, *Conservatism and Collectivism, 1886-1914*, (Edinburgh 1990), p.30, has also noted the relevance of 'negative' Anti-Socialism in this respect.

¹³ Cf.the remarks of Brian Harrison on the justification of conservative historiography in *Separate Spheres: the Opposition to Women's Suffrage in Britain*, (1978), p.17: "Reformers can hardly be understood in isolation from their opponents. Studying the opposition to reform corrects the reformer's tendency to exaggerate his following and importance at any one time."

legislation indirectly encouraged rather than undermined Socialism.¹⁴ Thirdly, Anti-Socialism could act in a more positive rôle in the internal debates of the Conservative Party if it was connected with contingent and contested idioms from associated discourses. For example, there was considerable debate as to whether a fully-fledged Anti-Socialist strategy would have to rest on the more substantive doctrines of Individualism or of *étatiste* social reform. These widely differing approaches were both defended as being the most effective means of combating Socialism in the early twentieth century, and as a result there was considerable disagreement over the identity of Anti-Socialism *within* the Conservative Party -- a fact which qualified the opportunities offered by a successful pursuit of the first two objectives.

It could be argued therefore that the debate on 'Socialism' operated on two levels; there was the foundational debate which sought to identify and criticise 'Socialism' in a detailed and relatively sophisticated way, whilst at the same time relying on established political and moral assumptions; secondly, and as a consequence of this debate, other issues were reoriented according to the imperative of resisting Socialism; for example the presentation of an issue like tariff reform was importantly altered by the impact of the Labour Party after 1906 on Unionist Party calculation. Socialism thus forced Conservatives to rethink the nature and function of their Party, and its relationship both to other parties and to social groups that had stood outside the Conservative Party. There was a pressing need for an clear articulation of Conservative attitudes to capitalism, where

¹⁴ Although on the other hand from the New Liberal perspective the increasing consensus on the public meaning of 'Socialism' -- as the social ownership of the means of production, distribution and exchange -- helped to differentiate the distinctiveness of their own ideas, and as a result they became less likely to claim allegiance to 'socialist' or 'socialistic' labels, not only for fear of being tainted but because these labels failed to capture the novelty of their views.

previously support had been only implicit. Lacking a distinctive body of economic doctrine,¹⁵ Conservatives had to incorporate the rhetoric of the 'market' and 'free enterprise.' Conservatives had of course defended the dogmas of Political Economy in the mid-Victorian period, albeit with differences of emphasis from Liberals, yet 'Socialism' presented a sufficiently radical challenge for Conservatives to take the initiative in finding new arguments with which to refute Socialism -- in particular the defence of an entrepreneurial élite in order to bolster the beleaguered ideological position of the landlords after the Left had successfully popularised doctrines of 'unearned increment.'

This was one rhetorical innovation prompted by the rise of Socialism; another was the Conservative attitude to social reform. By the Edwardian period most senior Conservatives believed that a viable Anti-Socialist strategy would incorporate some measure of social reform. Some Conservatives believed a fundamentally different conception of social reform was required to maintain their support amongst the working classes and to maintain Britain's status as a Great Power -- this would involve a comprehensive and, above all else, an integrated approach to social

¹⁵ It could be objected that the emergence of 'historical economics' in the last two decades of the nineteenth century provided a paradigm which was particularly attractive to Conservatives. A number of these economists were Conservatives/Unionists, -- W.J.Ashley, William Cunningham and H.Foxwell -- and were usually active apologists for Tariff Reform. Their claim that the nation as well as the individual formed a unit of economic analysis offered, amongst other things, a useful justification for social reform. Yet despite the apparent symmetry between their views and the Conservative Party's concern with national productivity in opposing the claims of Socialism, it cannot be argued that their arguments had any great influence on Conservative propaganda, with the exception of the Chamberlainites; one reason being their strong condemnation of 'individualism' *per se*, and their corresponding sympathy for state intervention which proved too strong for most Anti-Socialists. Even so if we wish to understand some of the intellectual causes of the Conservative deviations from 'Individualism' then a study of the historical economists is essential; see Gerard Koot, *English Historical Economics*, (1987), and E.H.H.Green, "Radical Conservatism in Britain, c.1899-1914" (Unpub. Camb. Ph.D 1986).

questions, with state intervention becoming the norm. Politicians like Lord Milner and Leo Amery were keen to prevent 'Anti-Socialism' becoming the means by which Individualism retained a doctrinal foothold in the Conservative party.¹⁶ Such men were however a minority, even fewer in number than the diehard Individualists. The mainstream Conservative approach to social reform did not vary much between the time of Disraeli and Baldwin -- it was intended to demonstrate Conservative 'goodwill' to the working classes, to maintain economic efficiency, to encourage the diffusion of property, and to a lesser extent to maintain traditional institutions such as the family and voluntary welfare agencies. This attitude contained paternalist and individualistic commitments, which varied in intensity at different times, but it could not be said to have added up to a *philosophy* of social welfare; Conservative thinking on the Social Question was generally meagre and derivative.

Conservatives did not therefore necessarily oppose some of welfare policies which were subsumed by contemporaries under the term, 'Collectivism.' They did however perceive themselves to be an anti-Collectivist party, (to the extent that no *soi-disant* Tory Collectivist springs to mind) seeing in the bureaucratic and redistributionist tendencies of Collectivism a perversion of traditional social reform. They attacked the 'direct' relationship between State and citizen, which they believed Liberal Collectivism was advancing, as destructive of benign intermediary institutions such as the Friendly Societies, and which offered the citizen important entitlements without requiring reciprocal 'obligations' to encourage self-help and independence, or else permit the fulfilment of national duties, such as the maintenance of 'racial' efficiency as a necessary

¹⁶ Cf. Leo Amery, *My Political Life: England Before the Storm*, Vol.1, (1953), p.255 on the impossibility of "laissez-faire Anti-Socialism" ever being successful in a democratic society.

safeguard for national security. It would be wrong however to argue, as Fforde has done, that the basic political dichotomy in this period was between 'Conservatism' and 'Collectivism,' as his conception of anti-Collectivism includes such attitudes as hard-line Individualism *and* pre-emptive social reform. This dichotomy lacks explanatory force for the problematic inter-relationship between social reform and Collectivism; Conservative conceptions of social reform were forced to strike an difficult balance between being *non-Collectivist* and appearing *anti-Collectivist* (i.e. undermining existing Liberal-Labour legislation).¹⁷

The nature of Conservative social reform did not therefore change with the need to combat 'socialism' but the strategic dimension of such reform was altered. In the pre-Socialist era it has been shown that 'social reform' was a relatively uncontentious strategy, primarily exploited by Conservatives to divert attention away from more subversive political reforms. Peter Ghosh has persuasively argued that it was some such perception which lay at the heart of 'Disraelian Conservatism.'¹⁸ However with the arrival of 'socialistic' legislation in a 'democratic' electorate the division between the political and the social became more difficult for Conservatives to maintain. 'Socialism' not only intended to overthrow all the institutions of existing society, it was also attacking the substance as well as the form of political institutions. Such attacks demanded a more articulate and doctrinaire response from the Conservative leadership; and in the process of combating 'socialistic' legislation, the distinction between it and

¹⁷ Fforde, *Conservatism and Collectivism*, esp.pp.88-102, (e.g p.92 "At heart Milner was an anti-statist") where all social reformist propensities are treated as 'opportunist' (and 'anti-statist') and all 'Individualist' sentiment as 'principled.' Shorn of its hyperbole, however, Fforde's study does provide a useful corrective to accounts which exaggerate the Conservative commitment (and the necessity of such a commitment) to 'advanced' social reform.

¹⁸ Peter Ghosh, "Style and Substance in Disraelian Social Reform" In P.J.Waller, ed., *Politics and Social Change in Modern Britain*, (Brighton 1987), pp.59-90.

traditional social reform became blurred. The strategy of the 1870s became redundant once 'social reform' had become politicised with anti-Conservative aspirations. Thus although the Conservatives under Salisbury and Balfour continued to pass important social measures they always did so with the fear of losing supporters in the process. Lord Wemyss' Liberty and Property Defence League, founded in 1882 was a portent of the possible splits which might occur if the Conservatives were too supine in the face of democratic pressure. In general such threats did not materialise, largely because Conservative administrations were successful in conceding so little in this area, but 'social reform' became one of the most contentious aspects of Conservative strategy in the Edwardian period.

Conservative attitudes to 'free enterprise' and 'social reform' were of course a part of a grander Conservative strategy of forming a coalition of property owners. Industrialists and merchants had been drifting to the Conservative Party since the 1860s and many of the propertied were still making the trek from Liberalism to Conservatism in the 1920s, so the impact of 'Anti-Socialism' should not be over-dramatised.¹⁹ Nevertheless it was the most significant stimulus to recruiting all types of property-owner into the ranks of Conservatism; from the Whig landlord and City banker through to the owner of house property and the middle class ratepayer -- all felt their interests threatened in some distant way by 'Socialism' and Conservatives exploited these fears to the full. The attraction of Anti-Socialism essentially lay in the utility of its negativism in uniting what were still significantly different interest groups -- industry and commerce, ground landlords and urban ratepayers. One reason for the comparative lack of sectoral conflict between major players in the national economy in this period might have been their willingness to unite against a common foe,

¹⁹ See Harold Perkin, *The Rise of Professional Society: England since 1880*, (1989), pp.40-45, 141-154.

'Socialism', in social and economic conditions where this threat was more apparent than real.²⁰ It might further be added that the demands of Anti-Socialist rhetoric pointed to a view of the national economy as expansive and dynamic, filtering down its benefits to all classes within the framework of a lightly regulated market economy -- the Conservative commitment to existing economic arrangements and their defence of the landlord *and* the entrepreneur in *economic* terms tends to undermine the view of those who saw Conservatives retreating into an anti-industrial paternalism in the face of class conflict, at least in the period up to 1914.²¹

This major strategic goal of creating a party of all property-owners had, of course, to be balanced with a need to maintain class cohesion. The 'social reform' component of Anti-Socialism has already been discussed. Conservatives did not push their attack on the 'Socialism' of welfare legislation after 1906 to the degree that Individualists had in the 1880s and 1890s. Such measures were attacked as indirectly 'socialistic' mainly because of their method of finance. Although the demoralising aspects of pensions and free school meals were criticised, Conservatives saw the main threat in redistributionist taxation. Rather than antagonise the working classes by questioning the propriety of welfare legislation, they attacked the means of financing it. This had a number of attractions: it could show the working class voter that such measures were likely to damage the health of the national economy and cause unemployment, but more importantly attacking 'Socialist' finance proved to be the most effective way of mobilising middle and lower-middle class opinion. Many in these groups would have benefited from such measures and retained their loyalties to Liberalism.

²⁰ For an interpretation on these lines see Martin Daunton, "Gentlemanly Capitalism and British Industry, 1820-1914." *Past and Present* 122, Feb.1989, pp.119-58.

²¹ See Martin Weiner, *English Culture and the Decline of the Industrial Spirit, 1850-1980*, (Harmondsworth 1985), pp.98-111. The case for the inter-war period is admittedly more complicated.

When taxation did not directly threaten such groups as in the failed anti-Budget agitation of 1909, Anti-Socialism failed as a cry. However when the Right played on the fears of groups like the ratepayers who paid proportionately more in taxes than the income tax-payer the results could be impressive; thus in 1907 an Anti-Socialist campaign mounted in the London County Council election contained a thinly-disguised class rhetoric which proved overwhelmingly successful in winning over the middle and lower-middle class elector.

In the post-war period such a strategy became ever more possible with the vast increase both in taxation and the number of taxpayers during the 1914-8 war. Unfortunately for the Coalition it had been responsible for the increases, and thus had to face the wrath of powerful independent agitation from groups like the Anti-Waste League and the Middle Classes Union. Only when the Government took the politically and economically significant decision for a low-taxation, deflationary régime in 1920-21 was this discontent harnessed for the benefit of the Conservative Party. By the 1920s 'Conservative' and 'anti-Socialist' were increasingly treated as synonyms, the latter term proving useful in drawing Liberal voters reluctant to identify with straightforward Conservatism. The main rhetorical emphasis on middle class solidarity in the face of the unreasonable demands of organised Labour proved to be generally successful in integrating middle-class, Nonconformist ex-Liberals.

Although it has been argued that "in the late Victorian era and indeed up to 1914 conservative writers and speakers while attacking socialism as absurd, paid comparatively little attention to it,"²² the evidence suggests that the very opposite was true. Conservatives were intensely concerned about an ideology which they believed would destroy all they

²² R.B.McDowell, *British Conservatism 1832-1914*, (1959), p.131.

valued. Their arguments against it reflected those values and institutions they saw threatened -- these ranged from private property in land and the market economy through to national security, the constitution, and the family. It would be pleasing to discover an over-arching vision in such arguments, but this appears too ambitious an aim for what was only one discourse within Conservatism.

Some generalisations can be made -- the economic arguments deployed against 'Socialism' retained a strong commitment to the teachings of 'Political Economy' and Conservatives were generally hostile to State intervention and especially state ownership. They did not however reject small-scale public ownership where this had proved its worth, and could be justified in a non-Socialist way, e.g Municipal Trading. Furthermore despite the efforts of some Social Imperialists the critique of Socialism discouraged Conservatives from looking on the state as an economic actor. The main Anti-Socialist paradigm of an omniscient, centralised, planned State also had repercussions for their view of social policy. Conservative attitudes to 'welfare' retained the idioms of common sense individualism (rather than the doctrinaire version) in justifying state assistance: social reforms were enabling and minimalist, designed to provide the means for individuals to lead independent lives. But the dominant foundation of 'positive' Conservative social policy remained the peaceful diffusion of property-ownership, to be achieved largely through voluntary not legislative action -- a whole range of policies encompassing home ownership, profit-sharing, co-partnership and cooperation. This ambition was undoubtedly made articulate and vocal by the emergence of the 'Socialist' threat in this period.

This was not an ideal of 'equality of opportunity' based on the belief in a socially mobile society, a policy which in any case would have involved an unacceptable level of state intervention. The overall vision was one of a

fairly static but 'liberal' class society, where the institutions of civil society provided benefits and protection for all members of society.²³ Generally speaking the underlying assumptions could be said to be libertarian -- the weight of the critique of Socialism was the claim that it meant an unacceptable loss of liberty for all classes and reduced the individual to the position of a slave. The model assumed a degree of class cooperation, if not harmony, and the working class desire for 'independence' was respected as an antidote to Socialism, providing it did not challenge the prevalent political relationships. When it appeared to do so in the labour unrest of 1918-20, the rhetoric of Anti-Socialism became more class conflictual, emphasising the values of the middle classes to counteract proletarian cupidity. The preferred tactic was however to marginalise 'Socialism' by limiting its appeal even amongst non-Conservative groups, by entrenching a political system dominated by Conservative values. Paradoxically the desire for a broad rejection of 'Socialism' across society ran the risk of limiting the appeal of *Conservative* Anti-Socialism -- as the debate moved increasingly from higher-level debate, so the demands of the latter strategy became paramount.

Several Anti-Socialist strategies are identifiable, associated with particular groups and representing differing responses to specific problems. The most prevalent ideological strategy was the 'wedge' strategy -- i.e. that

²³ It is possible to see some symmetry here with the view of working class self-perception described by Ross McKibbin in his explanation of the failure of Marxism in Britain; where he observes the importance of "an ideology of rights which was both permissive and restraining: it increasingly allowed the pursuit of working class interests within the economy while confining the working class to ceremonial and conventional institutions whose ideological pre-eminence was based upon fairness and adherence to rules. To the extent that civil society reproduced itself, it was the reproduction in all classes of the ideological predominance of these institutions." "Why was there no Marxism in Great Britain?" in *The Ideologies of Class: Social Relations in Britain 1880-1950*, (Oxford 1990), p.38. Conservatives would obviously have wished to see the working classes as more constrained in their ability to pursue industrial objectives.

a particular measure, if sufficiently contentious, was to be attacked and dismissed as the 'thin end of the (Socialist) wedge.' This sort of indiscriminate attack was particularly dominant in the early 1880s when the nature of what was termed 'socialistic' interference was still unclear; it formed the basis of the Individualists' critique, as their doctrines were predicated on a fundamental antagonism between Socialism and Individualism as 'hegemonic' social philosophies. It could therefore be deployed against Conservative 'concessions' on social reform. However it also formed the most natural line of argument for all Conservatives when the Party was confronted by a radically reforming Administration of the Left -- as was the case in Conservative criticism of Liberal social legislation after 1906, and in the Anti-Budget campaign of 1909. However as state intervention came to be regarded as a normal feature of social life, this 'wedge' perspective tended to show diminishing returns (albeit slowly in our period).

The most obvious response was to supplement it with an aggressive counter-campaign, rescinding the offending socialistic legislation, and restoring a political order founded on the tenets of Individualism. This 'rolling back' strategy however was never the dominant one in the period considered; attempts by Individualist activists to restore the 'minimal state' in local government ran into a wall of moderate opinion, which had absorbed the idea of municipal ownership and ceased to consider it as 'Socialist.' By and large this approach was confined to Individualist groups and small sections of the Conservative Party, such as the Unionist Free Traders. It was unviable, partly because the debate over 'Socialism' did not begin at a time when the 'minimal state' was a reality, hence force of the anti-statist reaction was necessarily muted. At the same time the relatively moderate reactions to the extension to state interference had the paradoxical effect of

limiting the scope of such interference as it was not carried out in the face of revolutionary pressure; with only very limited 'socialistic interference' in place before 1906, there was not sufficient discontent to launch a general reaction against this development, as there would be in later years.

This left the dominant strategy as a vaguer, 'exclusionist' approach to 'Socialism.' This meant defining 'Socialism' as an alien, transgressional creed opposed to the dominant norms of society; it was to be met with a strong reassertion of such values, coupled with timely concession of social reforms. The essence of this strategy was however negative as it aimed at preserving existing social, economic and political relationships and was ideally suited to the requirements of the Conservative Party in power. This line of argument was to prove particularly successful at times when reformist sentiment was subdued either in the face of general economic difficulty, or when Conservatives could plausibly exploit fears of a revolutionary threat. Part of the success of inter-war Conservatism could be seen in these terms.

The structure of the thesis reflects the underlying methodological commitments discussed earlier. It is divided into two parts; part One dealing mainly with the 'ideology' of Anti-Socialism, and part Two with the 'operationalisation' of this ideology in Conservative political practice in the first quarter of the twentieth century. It should be clear by now that this division does not reflect any belief in the priority of political 'ideas' over 'practice'; still less the belief that the relationship between political ideology and practice is anything less than one of continuous and mutual modification. Conceptions of 'Socialism' are considered not only for their internal consistency and accuracy, but also for their utility and expediency for 'practical' politics. The thesis thus deals with Anti-Socialist paradigms such as Individualism which were politically unsuccessful, as well as those which predominated in the vocabulary of politicians. This is shown in

Chapters Two and Three which deal, respectively, with 'classical' Individualism, which was seen as bankrupt by 1914, and with a distinctly Conservative modification of it which proved more attractive to Conservative politicians and Anti-Socialist publicists, precisely because it lacked the philosophical rigour of Individualism.

Part Two (Chapter Four to Six) deals in roughly chronological order with the place of 'Anti-Socialism' in politics between c.1900-1922. Two national and one local case studies of Conservative reactions to 'Socialism' and the rise of the Labour Party explore the conditions necessary for 'resistance to Socialism' to have become a central feature of Conservative strategy and rhetoric. As 'ideology' was a critical component in this process, by allowing the Conservatives to build up new alliances based essentially on hostility to Socialism, and also in vilifying the reform proposals of both Liberal and Labour parties, which were both ostensibly non-Socialist, the role of political argument, its modification and exaggeration on the platform and in the manifesto is also a necessary part of the analysis of 'ideology.' It shows that this relationship is a complicated and fractured one, with ideas being transformed into an 'ideology' and political doctrine in a manner which diverged sharply with the intentions of the intellectuals who had first considered the problem of 'Socialism' in the 1880s. It is, therefore, the importance of 'low' thought, the production of propaganda and attractive but simplistic doctrines for party activists, which appears to be the key to understanding the connection between political and ideological change. This process, although it deflates the importance of more rigorous and perhaps more interesting 'intellectual' argument, is nevertheless a vital one not only for understanding the evolution of the modern British Conservative party, but for improving the writing of political history in general.

CHAPTER ONE

SOCIALISM AND ITS CRITICS, 1880-1914

(I) Introduction.

From the early 1880s to the outbreak of war in 1914 intellectual debate was preoccupied with the question of 'Socialism' and the challenge it posed to the existing order. By the Edwardian era this debate was increasingly seen as the dominant one both for the intelligentsia and for politicians, as the vast number of books, newspaper articles, lectures and speeches dealing with 'Socialism' testify to. Unlike many other important political issues it was one which called forth responses from all sides of the political spectrum. Furthermore other political issues were also increasingly affected by the 'Socialist Question'; in areas as diverse as Imperialism and constitutional reform, 'Socialism' was increasingly treated as a reference point in making proposals and criticisms about these extraneous issues.

In this chapter I propose to examine and describe the contours of the debate on 'Socialism' in late-Victorian and Edwardian Britain. Naturally one cannot possibly hope to completely reconstruct all the political arguments in this period which were concerned with the nebulous idea of 'Socialism'; selectivity of a particular aspect of this debate (one should really say debates) will however illumine contemporary understanding of the political and intellectual meaning of this phenomenon. With this comparatively modest commitment in mind, I shall deal with the negative reactions to 'Socialism' in this period. The criticism of 'Socialist' ideas was neither a wholly discrete intellectual phenomenon nor was it a genuine dialogue with Socialist opponents. The historian can therefore approach the debate over 'Socialism' with two seemingly conflicting aims in mind; to discover a dominant, consensual public interpretation of 'Socialism' produced by the

interaction of pro- and anti-Socialist arguments, and secondly, to locate the areas where fundamentally different understandings of the meaning of 'Socialism' remained; thereby, understanding where the lines of political division on this question were drawn. Thus there is a concern not only with *inter*-ideological debate (e.g between socialists and conservatives), but more especially with *intra*-ideological phenomena, that is, how the question of 'Socialism' affected the internal conceptual structure of other ideologies which were forced to make a reasoned response to it. It is this problem that leads to the claim that a distinct sub-ideology of 'Anti-Socialism' can be both identified and used to explain wider ideological change. The threat posed by 'Socialism' necessitated a deeper change in attitudes than the purely transient ones demanded by special issues; the effect of 'Socialism' on public discourse was genuinely transformative, altering the vocabulary, the idioms and the agenda of political groups, and inevitably it caused people to redescribe their ideological beliefs as 'Anti-Socialist'.¹

'Anti-Socialism' became an increasingly important way of describing the attitudes of numerous Liberals and Conservatives; it did not replace these ideological labels, but it did alter their internal hierarchy of priorities. This was seen as a realistic response to the likely trajectory of future politics, where Socialism *versus* Anti-Socialism was the fundamental issue. Many right-wingers were in no doubt about the nature of political struggle in the coming century -- A.V.Dicey could warn his readers of the Manichean nature of this struggle between Socialism and its opponents:

The Socialists of England who desire the abolition of the wage system...are aiming at a fundamental revolution in the whole condition of English society. The change may be the most beneficial of reforms or the most impracticable of ideals. But in any case it will involve a severe upheaval,

¹ The term 'Anti-Socialist' entered general political circulation in the Edwardian era; for its use by a Conservative propagandist see W.Lawler Wilson, *The Menace of Socialism*, (1909), p.53: "Anti-Socialism is to the early twentieth century what Anti-Jacobinism was to the late eighteenth century -- it is the evocation of the forces of order and nationality under the impulse of a national danger."

and a conflict which will last not for years, but for generations. The arduousness of the fight is certain.²

It is these types of reaction to 'Socialism' which historians of the late Victorian-Edwardian political class and the intelligentsia have largely ignored; the following chapter attempts to reestablish their importance for understanding the political culture in which 'Socialism' was trying to gain a foothold.

(II) The Background to the Socialist 'Revival'

The 1880s saw the beginning of serious discussion of 'Socialist' ideas; a process whereby the 'public' became accustomed to certain core 'Socialist' beliefs. This involved a filtration process whereby ideas originally perceived as 'socialistic' -- Georgian land taxes or municipal ownership of utility industries -- were invariably given a more accurate non-socialist designation after heated debate. Many other aspects of 'Socialism' however remained 'essentially contested,' whilst other doctrines were accepted as quintessentially 'Socialist' by all sides. In order to understand how this debate operated, it is necessary to look at the antecedent interpretations of 'Socialism' before it was 'revived' in the 1880s, thereby locating the constraints on Socialist doctrines thereafter.

Many observers felt that 'Socialism' had made a dramatic and unexpected impact in the early 1880s, which provoked an prolonged discussion about its identity. However the volume of argument and counter-argument only added to the semantic confusion.³ One possible reaction was

² A.V.Dicey, *Lectures on the Relationship between Law and Public Opinion*, (second edition, 1914), p.lxxxviii.

³ See for example the remarks of John Rae: "...in 1883 a socialist movement seemed to break out spontaneously in England; the air hummed for season with a multifarious social agitation and we soon had a fairly complete equipment of Socialist organisations -- social democratic, anarchist, dilettante -- which has ever since kept up a busy movement with newspapers, letters, debates, speeches and demonstrations in the streets." *Contemporary Socialism* (1891), p.84. A good account of middle class fears

the revolutionary scare; as Emile de Laveleye observed in 1883, "Today...we see socialism everywhere. The red spectre haunts our imagination and we fancy ourselves on the eve of a social cataclysm."⁴ These fears of proletarian anarchy were not new; in 1872 the classical liberal economist, Henry Fawcett described the typical middle class reaction to 'Socialism' (a viewpoint which he disputed):

To many, Socialism and Communism are supposed to be synonymous with confiscation and spoliation. A Socialist exists vaguely in the minds of the comfortable classes as a sort of abandoned creature who wishes to live by robbing other people of their property, and who desires to see general pillage introduced.⁵

Since the collapse of Chartism, 'Socialism' had been placed in quarantine by most of the British intelligentsia. There was an entrenched middle class suspicion of the role it had played in the chaos and bloodshed of the French revolutions of 1848 and 1871, coupled with an indifference to 'Utopian' ideologies from the majority of the working-class political leaders, whose beliefs remained within the tradition of Radical populism. Occasionally there were more positive estimations; in the Christian Socialist espousal of the term as a form of humanitarian, but paternalist reformism, and the Positivists' use of the term to describe their quasi-ethical conception of social order. The general interpretation of Socialism in the mid-Victorian period thus ran in two streams; either as an example of the futility of revolutionary activity or as an untheoretical ethical belief in the

of the sudden emergence of a 'Socialism of the Streets' can be found in G.Stedman Jones, *Outcast London*, (Harmondsworth, 1984), especially pp.290ff for the reactions to the SDF-orchestrated unemployed riots of the mid-1880s.

⁴ Emile de Laveleye, *Socialism of To-Day*, (1883), p.xiii.

⁵ Henry Fawcett, "Modern Socialism" in *Essays and Lectures on Social and Political Subjects*, (1872), p.7. Note the similar remarks of a French Socialist observer in 1849 on middle class attitudes; "The word *Socialism* is a nightmare to many -- that word is no sooner uttered in their presence than their affronted imagination creates the most frightful images; they tremble for their property, the sanctity of their houses, the peaceful worship of their religious beliefs...", cited by Gregory Claeys, *Citizens and Saints: Politics and Anti-Politics in early British Socialism*, (Camb.1989), p.298.

reformability of human nature. Both views reflected the political stability and prosperity of the period, which allowed liberal ideological imperatives to prevail almost unchallenged.

One significant and well known exception to this intellectual indifference was John Stuart Mill. Mill had a lifelong interest in the comparative attractions of socialism as an alternative ideal to liberalism.⁶ His interpretation of Socialism is important to our understanding of the late nineteenth century debates more because of its anachronism than its relevance. Mill's main concern was to establish a realistic means of comparison between two ideal types of social organisation; those based on private- and communally-owned property, but his conception of the latter, based on a decentralised and apparently market-based system of communes drew upon important insights from established Political Economy. This version of Socialism was discarded by late-Victorian Socialists. As Mill's conception of Socialism has been considered in detail by many writers, I shall only sketch its outlines in order to demonstrate its divergence from later interpretations. Mill saw 'Socialism' as one possible alternative for humanity as it reached the 'Stationary State' and his attitude to it went through many complex and nuanced changes in the 1850s and 1860s.⁷ It is fair to say however that Mill's commitment to Socialism (compared to his attachment to liberalism) was dictated more by moral than intellectual conviction, and this conviction was strongest when he believed that Liberals

⁶ Mill's most important statements on Socialism can be found in his *Autobiography, Collected Works* Vol.1, (Toronto, 1981); the three editions of the *Principles of Political Economy*, especially the chapters, "On Property" and "On the Probable Futurity of the Labouring Classes"; and the posthumous *Chapters on Socialism*, (1879) in *Collected Works* Vol.5, (Toronto 1967).

⁷ For example *Principles of Political Economy*, (Harmondsworth 1970), p.360: "the question of Socialism is.....a mere question of comparative advantages, which futurity must determine. We are too ignorant either of what individualism in its best form, or socialism in its best form, can accomplish, to be qualified to decide which of the two will be the ultimate form of human society."

of his own day were acting in a complacent and conservative way. Thus, as a result of this approach, Mill's view of Socialism contained strong libertarian and Utopian elements, emphasising the political and ethical aspects of Socialism rather than the economic and sociological.

Mill's conception of Socialism owed its main intellectual debts to the French Socialists, Saint-Simon and most particularly Fourier. From the latter he derived his commitment to a decentralised, communitarian Socialism organised around the cooperative economy of associated labourers.⁸ Mill was hostile to any form of 'Communism,' that is distribution on grounds of pure equality, and revolutionary, State-enhancing forms of Socialism.⁹ He defined Socialism as "the joint ownership of the instruments and means of production; which carries with it the consequence that the division of the produce must be a public act performed according to rules laid down by the community."¹⁰ Mill did not believe that such communities would enjoy conditions of 'abundance' and so standards of distributive justice would be required. In this respect Fourier's scheme was the most plausible because it allowed for differential reward and for the holding of capital by individuals. At the heart of Mill's discussion of Socialism is the problem of incentives, reflecting his belief that any Socialism must be realistically comparable to the best form of liberalism -- thus it needed to be proved that the loss of private ownership would not mean a related loss in incentives.

In the *Chapters* Mill was more sceptical than previously about the viability of non-pecuniary rewards. He also envisaged a decline in a risk-taking mentality (a point he viewed with ambivalence); "business in general would fall very much under the dominion of routine."¹¹ Mill summed up his

⁸ For praise of Fourier, see *Chapters on Socialism, Coll.Works* 5., p.748.

⁹ See *Chapters*, p.737, "(T)he revolutionaries..propose...a much bolder stroke. Their scheme is the management of the whole productive resources of the country by one central authority the general government."

¹⁰ *Ibid.*, p.738.

¹¹ *Ibid.*, p.740.

account of incentives by strongly deprecating the ability of a 'communist' system to maintain an efficient production of wealth; his criticisms differing little from more Individualist economists:

Communitic management would thus be, in all probability, less favourable than private management to that striking out of new paths and making of immediate sacrifices for distant and uncertain advantages, which though seldom unattended with risk, is generally indispensable to great improvements in the economic condition of mankind, and even to keeping up the existing state in the continual increase in the number of mouths to be fed.¹²

Although the Communism of Owen was dismissed, Mill continued to defend Fourierist Socialism, because it paid attention to incentives in its distributive mechanisms. Fourier's solution was also Mill's -- a greater reliance on small groups of associated labourers to carry out production, and able to distribute their income fairly between capital, labour and talent contributions. Mill was however sceptical about the practical relevance of this form of Socialism, believing it could only begin to be realised by practical experiments by an intellectual and moral elite, similar to the model socialist communities in the early nineteenth century America. Any statist conception of 'Socialism' remained anathema:

Apart from all considerations of injustice to the present possessors, the very idea of conducting the whole industry of a country by direction from a single centre is so obviously chimerical, that nobody ventures to propose any mode in which it should be done.¹³

Mill's main intention appeared to have been to remind private property of the constant need to discuss reform in the face of Socialist ideas which would not disappear even in times of class peace. Apart from this ambition, although the *Chapters on Socialism* were published just before 'Socialism' became an issue of intellectual attention, they had a remarkably dated air about them, they added little to Mill's interpretations of Socialism, and did so in a much more tentative and aloof way than had been the case

¹² *Ibid.*, p.742.

¹³ *Ibid.*, p.748.

in the early 1850s. Yet although Mill was critical of 'Socialism' to the end of his life, it cannot be said that his arguments were of immediate relevance to critics of Socialism in the 1880s. Despite some searching criticisms of incentive structures and modes of distribution under 'Socialism', his conception of the whole argument was still rooted in the arguments of the 1840s and his political understanding of Socialism never extended beyond the Utopian communitarianism of Owen and Fourier. This offered no lead either way for the later debates which centred around the attractions of a specifically *statist* model of Socialism. Many Individualists and Conservatives continued to be suspicious of Mill's teachings in any case, partly because of his sympathy for 'Socialism' and because of his perceived apostasy against the doctrines of Political Economy.¹⁴ Furthermore Mill's conception of the political economy of communitarian Socialism seemed excessively vague and fragmentary in contrast to his usual rigour -- an inevitable result of treating Socialism as an essentially moral ideal, but also because the ideas of French Socialism gave him little of theoretical substance to work with.

Another of Mill's failings was the product of his comparative approach to analysing social-economic systems -- he conceived of 'Socialism' and 'Capitalism' as discrete and idealised analytic concepts, in order to draw up the disadvantages and benefits of both. He did not therefore take very seriously the idea that was later to gain considerable influence that 'socialistic' and 'individualistic' tendencies existed in all societies and that

¹⁴ In particular Mill's support for taxing unearned increments of land values was disliked, together with his theoretical heresy that it was possible to distinguish between laws of production, which were binding, and 'laws' of distribution which were based largely on customary arrangements. See the characteristic Individualist criticism of Mill by Thomas Mackay, "By a strange freak of fortune a silent revolution has taken place within the Liberal Party in England, and by gradual steps the party of Cobden and Bright has been converted into a semi-Socialist camp. The leading spirit in this transformation was undoubtedly John Stuart Mill." "Democratic Finance" in *The Dangers of Democracy* (1913), p.226.

social reforms were to be understood as 'socialistic'. This point is largely semantic, but it had some ideological effect in that Mill was relatively sanguine about the reformist potential of a basically Individualist society, whilst later reformers usually perceived their reforms as a move away from Individualism, which was seen in much less morally favourable terms.

As early as 1872 Fawcett had described 'Modern Socialism' as transcending the Millite version by presenting the State as the main agency by which the working classes would seek to make economic as well as political gains. This 'Socialism' was merely a form of politically engineered redistributionism, which did not appear to herald a new form of social and economic structure:

(The) new form of Socialism, the cardinal principle of which is that all social improvements must be effected by state agency, and must also be carried out by public money, obtained from taxes exclusively levied on property.¹⁵

This interpretation continued to be the main Individualist view of 'Socialism' in later decades, but the importance of the view of Fawcett lies in the view of 'Socialism' as a *political* threat encouraged by 1867 and the Trades Unions' agitation (Fawcett had discussed the manifesto of the "International Association" in his lecture). At the same time 'Socialism' appeared to be a less revolutionary creed because it could be brought about by legislative action conceived for, (but not initiated by,) the working classes. The implicit tension between the two views was brought out in some remarks made by the Millite economist, J.E. Cairnes in 1874:

It seems to me that the idea which 'Socialism' conveys to most minds is not that of any particular form of society to be reached at a future time, when human beings and conditions of human life are widely different from what they are now, but rather certain modes of action, more especially the employment of the powers of the state for the instant accomplishment of ideal schemes, which is the invariable attribute of all projects regarded as socialistic.¹⁶

¹⁵ Fawcett, "Modern Socialism", p.25.

¹⁶ J.E.Cairnes, *Some Leading Principles of Political Economy*, (1874), p.316. He expressed a common misgiving over this definition: "...it is common to hear any proposal which is thought to involve an undue extension of the powers

On this view 'Socialism' was becoming an imprecise descriptive term for any social reform which intentionally benefited the working classes; it possessed no particular theoretical core, and, decisively, it lacked an economic foundation.

However by the late 1870s it was apparent that some economists were taking advantage of the reaction against traditional Political Economy to discuss new form of economic organisation outside of the usual market paradigms. This was done in a striking manner by the economic historian, William Cunningham in an article published in 1879.¹⁷ Cunningham outlined a 'Socialism' in which normative considerations played a secondary role to economic; he argued that modern industry contained an internal trajectory towards concentration and collective organisation, and that it was only this development which would make 'Socialism' a practical possibility with routinised production replacing competition. This interpretation anticipated the later formulations of Fabians and other Socialists of an irreversible economic tendency to monopoly/oligopoly. The ultimate distinction between economic systems was one of expediency rather than ethics:

It is as economical systems that Capitalism and Socialism must be contrasted, and that method is to be approved...which gives facilities for the raising of the greatest amount by all, so as to satisfy the wants of each.¹⁸

Like Mill, Cunningham saw the distinctive feature of 'Socialism' in its approach to production rather than distribution, but he regarded the Socialist economic structure in wholly different terms, believing it would be a centrally planned economy.¹⁹

of the State branded as socialistic, whatever the object it may seek to accomplish."

¹⁷ W.Cunningham, "The Progress of Socialism in England", *Contemporary Review* 34, January 1879 (that is, before the publication of Mill's *Chapters*, which appeared in the *Fortnightly* in later months.)

¹⁸ *Ibid.*, p.254.

¹⁹ *Ibid.*, p.252: "As to the *Production* of wealth, Socialists maintain that *personal requisites made known through public channels, could be best*

Although Socialism was only rarely discussed in the press in the 1870s it is possible to gain some idea of contemporary perceptions, however ill-focussed; it is apparent that the 'Utopian' version defended by Mill was increasingly being displaced by a Socialism which was practically synonymous with ameliorative social reform (though with the underlying suggestion of the perversion of this process by an ever more powerful working class), as well as a view of 'Socialism' as an economic system which evolved largely unintentionally out of existing capitalism. Very little was known of recent developments in Continental Socialist thought, and there was little sense of Socialism as a distinctive *ideology*.²⁰

There is no particular originality in suggesting that most people's perception of Socialism in the 1880s was derived from a non-Socialist movement in the first instance. The influence of the 'Land Agitation' was particularly important in shaping the attitudes of Individualists to 'Socialism', particularly their view of Socialists' political methods. But the impact of the theories of Henry George went deeper, with their ethical and economic message that the most pernicious form of exploitation was the taking of 'unearned' income by a parasitic rentier class, rather than the straightforward exploitation of Labour by Capital. The ideological burden placed on Anti-Socialists in attempting to by-pass the problem of the unpopular 'leisure class' should not be underestimated when considering later discussions. The land reform movement was seen by its critics as the beginning of the creeping collectivisation of property, which was a direct consequence of renewed democratic agitation in the political sphere. Even

satisfied by labour applied to public resources; while as to distribution, they believe that each should share according to the work he has done." Cunningham appeared to have read *Capital* vol.1, as well as the work of Austrian economist, Schäffle whose work on Socialist political economy was to prove extremely influential with Anti-Socialists.

²⁰ For an early exposition of Marx's thought see J.MacDonell, "Karl Marx and German Socialism", *Fortnightly Review* 17, March 1875, pp.382-91; a straightforward account of *Capital*, Vol.1.

without the Socialist question, there were very considerable fears of the corrupting power of caucus politics and demagoguery promoting a 'vote-buying' politics in which Property could be the only loser. But such fears gained in power when each instalment of reform was seen as the thin end of a socialist wedge, pushed on inexorably by the cupidity of the masses.

The Irish land agitation and the subsequent tours of Henry George to the British Isles seemed to confirm the worst fears about this populism.²¹ The question of the private ownership of land, which George's argument ultimately attacked, proved a slippery one for Individualists. The counter-attack against George was rather weakened by the support of some Individualists, particularly Spencer, for public ownership of land, and there was a noticeable paucity of *ideological* defences of the private appropriation of land, which was the real intellectual issue. Any attempt to fall back on traditionalist and paternalist arguments in defence of large landlords ran the risk of alienating many classical liberals, who believed that land was still artificially protected from market forces, and that reforms in this direction could stifle more radical ones. This more or less proved to be the Conservative view in later years, though the formation of peasant proprietorships was seen as the best deterrent to Georgeism. Many Socialists however believed that George's criticisms in *Progress and Poverty* of unearned income had not been adequately answered by his opponents, and this encouraged them to develop a much broader theory of 'rents'.²²

²¹ For the Georgian agitation see Avner Offer, *Property and Politics*, (Camb.1981), pp.167-200; Harold Perkin, "Land Reform and Class Conflict" in *The Structured Crowd*, (Brighton 1981), pp.100-35; Elwood P.Lawrence, *Henry George in the British Isles*, (East Lansing, Mich. 1957); John Plowright, "Political Economy and Christian Polity: the Influence of Henry George in England Reassessed." *Vict.Studies*, 30.2, Winter 1987, pp.235-52.

²² Sidney Webb wrote of George's work; "...its popularisation of Ricardo's Law of Rent sounded the dominant note of the English Socialist Party of today." *Socialism in England* (1890), p.21. See the more sceptical views of J.A.Hobson; "The Influence of Henry George in England" *FR* 372, Dec.1897, p.842, who claimed that Georgian doctrine, although non-Socialist, proved "a stepping stone to more or less formal Socialism" for

The main thrust of conservative criticism against George and the Irish Land League was to attack their class conflict rhetoric. Conservatives and moderate Liberals had been particularly worried about the Government's apparent surrender to the Land League in 1881, when the Irish Land Act was passed. This Act proved controversial for its departures from the classical liberal theories of contract which had dominated Victorian jurisprudence; its provisions -- the three 'F's; the free sale of improvements, fixity of tenure and 'fair' rents fixed by land courts, each marking a step away from the fiction of equal bargaining.²³ This was certainly how the Act was seen by many advanced Radicals who invented the epithet 'socialistic' to describe legislative reforms which regulated contracts in favour of the weaker party, (though this policy had been going on since the early Victorian period at least). Arnold Toynbee thus declared in 1882 that the Act heralded a new, native form of 'Socialism':

(The) Act marks not only an epoch in the history of Ireland, but also in the history of democracy. It means, I say advisedly, that the Radical party has committed itself to a Socialist programme -- the Radicals have finally recognised and accepted the fact...which is the fundamental principle of Socialism, that...between men who are unequal in material wealth there can be no freedom of contract.²⁴

There were very similar sentiments uttered by more traditionalist Liberals, though they saw the Act as a betrayal, and it encouraged them to begin the trek towards the Conservative Party which gathered pace as the decade progressed. W.E.H. Lecky, a leading classical liberal historian, later condemned the Act as the beginning of practical Socialism in Britain:

The connection...of Irish agrarianism and the laws it has produced, with English Socialism is very close...the Land League movement showed more clearly than any preceding one how it was possible for a class who

many Radicals. Sir Robert Ensor exaggerates however in claiming that "it was to the catchword 'unearned increment', much more than Marx's surplus value that the thinking of the English Socialist movement was based." *English History 1870-1914*, (Oxford 1936), p.334.

²³ For a very full account of this jurisprudence see P.S. Atiyah, *The Rise and Fall of the Freedom of Contract*, (Oxford 1979), part II.

²⁴ A. Toynbee, "Are Radicals Socialists?" (1882) in *Lectures on the Industrial Revolution*, (1884), p.216.

possessed a dominance of voting to use it for the purpose of breaking contracts and confiscating property.²⁵

Socialism had thus become associated in the minds of many conservatives with a purely redistributionist and regulative strategy pursued by crude means by the lower classes but encouraged by supine government. There was as yet little conception of Socialism as an ideology, reflecting social and political upheavals. This situation however had already disappeared by the mid-1880s and I shall now describe that transformation.

(III) A War of Words: Identifying Socialism in late Victorian Britain.

"Few words are at present more wantonly abused than the words Socialism and State Socialism."

John Rae, *Contemporary Socialism*, 1891, p.374

It is better to start this section with a warning -- it is not intended to be an identity parade in which the 'real' Socialism can be picked out from a host of contemporary suspects, rather it is an archaeological exercise, uncovering the various definitions of 'Socialism' between 1880 and 1914, showing how some versions achieved ideological and rhetorical dominance at the expense of others. It also shows how thinkers originally identified as 'Socialistic' gradually dropped this designation in the face of a genuine Socialist movement. The latter for all its internal diversity was agreed on the necessity of formulating a genuinely 'Socialist' ideological scheme to distance themselves (if the occasion demanded) from reformist Liberalism -- in this aim they were encouraged by their critics who wished to put the whole concept into quarantine, saving more acceptable forms of reformism from infection.

²⁵ W.E.H. Lecky, *Democracy and Liberty*, (1913 ed.), Vol.2. pp.390-1. The Duke of Argyll resigned from Gladstone's Cabinet over the Act, and devoted his retirement to attacking the claims of George, for a characteristic article see "The Prophet of San Francisco" *Nineteenth Century* 15, April 1886, pp.537-58.

It has been noted by one student of nineteenth century socialist lexicographies that socialist terminology remained relatively stable in the late nineteenth century.²⁶ In Britain there was an absence of neologisms to describe particular interpretations of 'Socialism', but this very fact encouraged an intense ideological conflict about the 'true' meaning of Socialism. Lacking a vocabulary to adequately describe the complexity and diversity of beliefs within the 'Socialist' constellation, intense internal disagreement was inevitable, and formed an important backdrop to the debate with Anti-Socialists. By 1914, this confusion had been somewhat clarified with the general acceptance that the New Liberalism was ideologically autonomous from Socialism, and by the growing reluctance of such Liberals to describe their ideas as 'Socialistic'. However the emergence of Socialism as a permanent fixture at one end of the ideological spectrum encouraged Anti-Socialists to insist that Liberal 'Collectivist' measures unintentionally marked a move towards Socialism.

It is generally accepted that the late-Victorian debate on 'Socialism' produced two major ideological paradigms from those claiming to support it. Firstly there were radical Liberals, who used the terms 'Socialism' and the adjective 'Socialistic' to aid the redefinition of a core liberal ideology in an egalitarian and communitarian direction. The second paradigm was more directly 'Socialist,' defended by thinkers who adapted their beliefs from Continental Socialism and who saw themselves as self-consciously breaking with radical Liberalism in their demand for the abolition of 'capitalism'; this group would include both British Marxists and ethical Socialists, who generally saw their intellectual novelty in terms of revolutionary economic theories. Although I have described these two sets of beliefs as paradigms, a continuous dialogue went on between the two, which encouraged a degree of

²⁶ Arthur Bestor "The Evolution of the Socialist Vocabulary" *Jnl.Hist.Ideas* IV 1948, p.294.

ideological overlapping but neither was parasitic on the other. Dialogue increased in frequency as 'Socialism' gained in political significance and the need for clarity was felt by both sides, and by the early Twentieth Century there was some consensus, albeit fragile, about what distinguished Socialism as an ideology. This did not however prove the case with the critics of 'Socialism' who necessarily were contesting the definition of Socialism for political advantage, and who sought to familiarise the public with one particularly negative paradigm of 'Socialism,' in which all forms of 'socialistic legislation' were implicated.

As 'Socialist' ideas were subjected to such intense criticism in this period it is inevitable that their ideological constraints were partly set not only by the internal coherence of their doctrines, but also in the ability of these doctrines to overcome entrenched prejudices within the wider community. The meaning of 'Socialism' in the present discussion can be seen as the product of a mediation between a theoretical socialist canon(s), public culture and political possibility, which involved an ongoing process of criticism and advocacy, which was particularly important for an 'outside' ideology like Socialism, given the pre-existing suspicions of it. The resulting definition must however pay attention to its differences with what many contemporaries described as 'Collectivism'.²⁷ 'Collectivism' is a notoriously slippery concept to define in this context, its essential meaning contested by Anti-Socialists, Socialists and New Liberals, and this meaning was seen as politically crucial. Some clarification must be made; basically both Socialists and Anti-Socialists saw 'Collectivism' as an alternative post-capitalist economic *system* which had abolished market exchange, New Liberals (and Fabians in tactical terms) saw it as the economic framework of their

²⁷ For a recognition of this see the entry on 'Collectivism' in W.D.P.Bliss, *Encyclopaedia of Social Reform*, vol.1, (NY 1908), p.253: "A term sometimes used...to denote Socialism as distinguished from anarchism or communism...Collectivism is also used sometimes to indicate the general sociological scheme of socialism, as distinct from any particular form or plan carrying it out."

communitarian social theory, encompassing a large public sector of ownership and regulation in a mixed economy, but with the insistence that this organisation had a normative basis because it made for social cooperation.²⁸ As occasions of the latter, for example municipalisation policy, could be seen as tendencies to the former there appeared to be no prospect of agreement on this distinction.

The original discussion about 'Socialism' was largely framed in terms of the concepts and strategies of what was later to become the 'New Liberalism'. We have already seen how accusations of 'Socialism' grew from the Georgian agitation, but these were only part of a wider reaction against the 'interventionist' policies of Gladstone's second administration, and more particularly the Chamberlainite wing of the Radicals, which culminated in the 'socialistic' Unauthorised Programme. This did not mean that contemporaries were unaware of 'Continental Socialism', but that they believed that a natively produced version would encourage peaceful accommodation of Demos. This legitimised little more than redistribution policies and greater regulation of the workplace. Individualists however were quick to note the implications; as Lord Wemyss saw it:

Between its continental counterpart and the Socialism of this country the difference of aims and methods is characteristic....(English Socialism) does not flaunt its creed before the world nor does it occupy itself with breathing out threats of confiscation and violence. It shows its indigenous character by proceeding in a thoroughly English fashion to attain what it wants by Acts of Parliament, passed in accordance with constitutional form.²⁹

This interpretation became a staple of Individualists long after other groups had introduced new conceptions of 'Socialism'. Individualists

²⁸ Even this definition misses many nuances; 'Collectivism' was sometimes applied to any extensive provision of public goods caused by market failure (not least by the Fabians), but this definition is not obviously incompatible with moderate forms of Individualism, as for example defended by Sidgwick. Clearly New Liberals meant more than this in their 'Collectivism', and the crucial distinction appears to be in their holistic doctrine that 'society' itself creates economic values by making possible productive activity.

²⁹ Lord Wemyss, *Socialism at St. Stephen's in 1883*, (LPDL 1884), p.9.

presented 'Socialism' as a historical regression from a regime of contract to one of status, in which a despotic State would kill off the inquiring and enterprising spirit; the view was an obvious descendant of early Victorian fears of 'Chinese stationariness' and the critiques of 'Old Corruption.'³⁰ Thus for all its underlying anti-democratic sentiment the Individualist critique attacked the elitism of Parliament and the bureaucracy. Lecky thus condemned this development in the following terms; "we are living in the centre of a reaction towards Tudor regulation of industry and an almost Oriental exaggeration of the powers of the State."³¹ At its most simplistic this thesis seemed to imply that 'Socialism' involved nothing more than a redistribution of *power* between State and individual. However Individualists did recognise that the main enemy was the political ignorance and cupidity of the working classes, whose demand for legislative action on their behalf would have the unintended consequences of auguring in a new age of tyranny. George Goschen was adamant that 'Socialism' was a peculiarly *democratic* form of tyranny -- he recognised that "(t)he people of this country have never wanted the State to be paternal. Now when the State is invoked, it is invoked as the agent ...of the people's will. From their point of view the movement is essentially democratic. Society wants its representatives to act on its behalf...The movement is distinctly socialistic."³² The practically identical point was made by Sir Henry Maine in his *Popular Government* (1885), though this work did not explicitly attack Socialism, and was only a more pessimistic version of mid-Victorian fears about mass society.

³⁰ For these fears in early Victorian liberalism, see John Burrow, *Whigs and Liberals*, (Oxford 1988), pp.101-24.

³¹ Lecky, *Democracy and Liberty*, Vol.2, p.229.

³² G.J.Goschen, "Laissez Faire and Government Interference" in *Essays and Addresses on Economic Questions*, (1905), p.310.

The 'Socialistic tendencies of modern Democracy'³³ thus represented the revival of a new form of class legislation', with a system of arbitrary 'political' distribution replacing market mechanisms. Thus the classical liberal historian Goldwin Smith saw 'Socialists' as "those who for the free market, industrial competition, private contract, and the present agencies of commerce, propose in various degrees to introduce regulation and remuneration of industry by the State."³⁴ This view led to the conclusion that 'Socialism' was the negation of individual liberty, as George Brodrick emphasised:

Whatever else it means, (Socialism) means the opposite of competition, and the opposite of individual liberty. It means that instead of men and women being left free to work out their own well-being in life, they are cared for and kept in leading strings by the State from the cradle to the grave.³⁵

This straightforward anti-statist view of Socialism of the Individualists gave rise to unresolved problems about the proper sphere of State action. For those radical Individualists who sympathised with Individualist anarchism, 'Socialism' could be defined as any coercive public action; as Wordsworth Donisthorpe explained this argument:

(W)hether State-interference in any particular case is thought to be good or bad it remains socialistic. Those who believe in the Public Health Act...accept what they are bound to describe as beneficent Socialism. Instead of which they prefer...to demonstrate such State duties are normal, and therefore not socialist. This is illogical.³⁶

This was however an unusual definition of 'Socialism' even amongst Individualists because it said little about the ideology of 'Socialism'. The more prevalent view saw 'Socialism' as an extreme variant of interest group legislation, but which one which made an additional claim about social

³³ This was the title of George Brodrick's article, see *MacMillan's Magazine* 53, March 1886.

³⁴ Goldwin Smith, *Essays on Questions of the Day*, (1893), p.9. See also the remarks of the Individualist economist, J.S.Nicholson; "The very essence of Socialism is the abolition of exchange" in *Historical Progress and Ideal Socialism*, (1894), p.39.

³⁵ George Brodrick "The Fallacies of Modern Socialism" *NR* 19, May 1892, p.300.

³⁶ *Jus*, 28 January 1887, p.11.

justice. It was in fact on this point that the original debate over 'Socialism' was conducted.

Progressive Liberals ascribed the term 'Socialism' to a very broad meliorist social philosophy, which was traceable to many theoretical positions. It was often advanced as an analytic as well as a normative concept to describe the increasing recognition of a distinctive form of social explanation, leading to the formulation of a distinct branch of knowledge known as 'sociology', but one which was often connected to the quasi-normative postulates of a methodological holism; in sharp (and deliberate) contrast to the individualistic basis of 'Political Economy,' the previously dominant paradigm of the social sciences.³⁷ At its broadest this conception of the 'social,' although usually containing an ideological purpose, could be used to define 'Socialism' in non-controversial terms; the *Encyclopaedia of Social Reform* could thus claim: "There is no Socialist system for society, because socialism is not a system, but an evolution, a tendency or principle."³⁸

At its most innocuous, this conception of 'Socialism' was merely a reaction to the cultural and moral assumptions of mid-nineteenth century economic models. In political terms it was largely a benign, though not uncritical, reaction to the Third Reform Act and the grass-roots Neo-Radicalism which became prominent in the early 1880s. It also resulted from broad intellectual changes, which suggested a more positive view of state action than the austere minimal one of classical liberalism, encompassing such diverse philosophical positions as Green's Idealism, Harrison's Positivism and Jevons' neo-utilitarianism. Its general moral tone is well conveyed in the definition of the Radical economist, Llewellyn Smith, in 1887:

The breaking down of the barriers of class exclusiveness, the development of the spirit of class union and social sympathy, the formation of a social

³⁷ See Collini, *Liberalism and Sociology*, esp. Introduction, and Chapter Six.

³⁸ W.D.P.Bliss, ed., *Encyclopaedia of Social Reform*, vol.2, p.1128.

and really healthy public opinion which shall make it impossible for a self-respecting man to live entirely to himself, the simplification of the lives of the rich, the elevation of the lives of the poor, the bringing close to every man of the means of contact with all great subjects, in a word the education and moralisation of society from top to bottom -- surely this is a socialism of a far more searching and radical kind than that which often passes under its name.³⁹

It was thus implied that this ideal required legislative interference on behalf of the working classes in terms not only of direct economic redistribution, but more importantly in indirect measures such as economic regulation and increased provision of public goods (particularly education) which benefited all social groups. These reformist Liberals were scrupulous in their avoidance of the rhetoric of class conflict, and singled out only a few culpable capitalists, together with other more traditional beneficiaries of 'privilege' for their opprobrium. The 'Socialism' of these precursors of the New Liberalism was however more of an ethical than an intellectual commitment, drawing on a communitarianism which was often the product of an atrophied Christian moralism; its utility declined sharply once the existence of avowedly revolutionary Socialist groups was fully publicised. The adjective 'socialistic' continued to be used by both Radicals and their Individualist critics as it did not suggest any radical ideological break with traditional liberalism.⁴⁰ The term was used somewhat indiscriminately as an analytic term to describe any novel form of state intervention. A writer sympathetic to 'Socialism' like Richard Ely could thus maintain: "If the purpose or the spirit of the activity in question is to render the collectivity

³⁹ Cited by Alon Kadish, *The Oxford Economists in the late Nineteenth Century*, (Oxford 1982), p.73. The classic exposition of this standpoint however is Alfred Marshall, "The Social Possibilities of Economic Chivalry", *Economic Journal* 17, 1907, p.17; "We are told sometimes that everyone who strenuously endeavours to promote the social amelioration of the people as a Socialist...if he believes that his work can be better performed by the State than by individual effort. In this sense nearly every economist of the present generation is a Socialist. In this sense I was a Socialist before I knew anything of economics..." For Marshall's more uncomplicated anti-Socialism, see R.McWilliams-Tullberg, "Marshall's 'tendency to Socialism'" *Hist.Pol.Economy* 7, 1975, pp.75-111.

⁴⁰ For example Toynbee, 'Are Radicals Socialists?' p.219, claiming that Radical 'Socialism' was largely an attempt to empower the working classes to lead free and independent lives.

dominant in the economic sphere, then it must be designated as socialistic; otherwise not."⁴¹ It was even adopted by traditional liberals like Henry Sidgwick who used it to describe any regulation or other public action which had broadly, but indirectly, egalitarian outcomes.⁴² The prevalence of this term to describe reforms which did not subvert the market economy points to one of the difficulties of non-Individualist anti-Socialists. They were unable to construct a vocabulary of social reform with any success, which could be isolated from the rhetorical hegemony of Collectivism and socialistic legislation.⁴³

This weakness in attacking the 'Socialism' of Social Reform gradually disappeared as it was supplanted by ideologically distinct Socialist groups in the later 1880s. Towards the end of the decade, there were avowedly Socialist works in the Marxian tradition in circulation, including those by Hyndman, Joynes, Bax, plus the work of American writers like Laurence Gronlund and Edward Bellamy.⁴⁴ Although many of these writers emphasised the ethical aspects of their creed, their distinctiveness in the eyes of their critics lay in their economic theories. Like the Utopian Socialists, they claimed that 'Socialism' was essentially based on a different economic structure, rejecting the belief that 'Socialism' could be a reformist counter-tendency within capitalist society.⁴⁵ The emergence of this economic

⁴¹ R.T.Ely, *Socialism*, (1894), p.26.

⁴² See below; Chapter Two, "Sidgwick and Utilitarian Individualism."

⁴³ See the complaints of the Individualist economist, J.S.Nicholson, *Ideal Socialism and Historical Progress*, pp.56-7, against "the largeness of the word. Socialism claims for itself not only all the land and the capital, but all the aspirations and all virtues in the state. Every man with a spark of enthusiasm, or philanthropy, if not a pure socialist, is a mixed socialist, or at any rate credited with socialist leanings." Individualists were particularly keen to rebut the facile identification of the antithesis between Individualism and Socialism with 'Egoism' and 'Altruism.'

⁴⁴ For British Marxists see Kirk Willis, "The Introduction and Critical Reception Of Marxist Thought in Britain, 1850-1900" *HJ*.20.2, 1977, pp.417-59, and Stanley Pierson, *Marxism and the Origins of British Socialism*, (Ithaca 1973).

⁴⁵ For a criticism of this view see Thomas Kirkup, *A History of Socialism*, (1892) pp.4-5.

strand in the debate made reformist liberals increasingly wary of uncritical acceptance of the 'Socialist' epithet. By the 1890s there was growing criticism of the uses made of the term by British radical reformers in the early 1880s, which academic critics believed had delayed serious discussion of continental Socialist theory. H.S.Foxwell maintained that Socialism was "not the natural revolt against a morbid excess of commercialism, which seeks to improve existing social relations with a more human and healthy spirit, but the campaign for social reconstruction, the revolutionary socialism that challenges the very principles upon which modern society rests...Marx, not Ruskin, is the type of the Socialist."⁴⁶

The growing recognition of Marxian Socialism and high profile adopted by Socialist groups as diverse as the SDF and the Fabians made reformist Liberals aware of the need to redefine their political terminology away from 'Socialism.' They saw in its crude populism, materialism and alleged environmentalism a grave threat to their own ideals. As one reformist critic of 'Socialism' noted: "Socialism, as taught in the streets, is a system of economics and not of ethics, or rather, it is scheme of reorganisation of society based upon certain economic theories."⁴⁷ To some extent this division between 'ethical' and 'economic' Socialism was more rigid in the thought of conservative Idealists than with mainstream Progressives.⁴⁸ Most New Liberals believed that their ideals had a distinct

⁴⁶ H.S.Foxwell, "Introduction," Anton Menger, *The Right to the Whole Produce of Labour*, (1899), p.xvii.

⁴⁷ E.L.Hicks, "The Ethics of Socialism" *Economic Review* 6, 1896, p.467.

⁴⁸ The distinction between 'moral' and 'economic' Socialism was made most emphatically by Bernard Bosanquet, see "The Antithesis between Individualism and Socialism Philosophically Considered" in *The Civilisation of Christendom and Other Studies*, (1893), pp.304-57. Here Bosanquet juxtaposes Economic Socialism with a materialistic Moral Individualism, claiming that Moral Socialism, described in Idealist terms, is best guaranteed by an Economic Individualism which maintains self-direction and discipline. A moderate statement of the Idealist position is Edward Caird, *Individualism and Socialism*, (Glasgow 1897). This distinction was strongly criticised by the Oxford Fabian, Sidney Ball, *The Moral Aspects of Socialism*, (1896), esp. pp.69-70.

economic underpinning which necessitated that the State take a greater role in the economy, thus going far beyond the aims of the earlier 'legislative Socialism.' Hence the emergence of an economic doctrine of 'Collectivism' as a competitor to Socialism.⁴⁹ This use of the term 'Collectivism' tended to encourage Socialists, whose economic system was generally termed Collectivism by non-Socialists, to criticise the radical Liberal claim that it was compatible with a reformed capitalism. This involved making the critical claim that 'Socialism' meant the public ownership of the means of production as a basic precondition to achieving social justice, and on this point even the most reformist 'Socialists' were distinguishable from New Liberals (whether this distinction was of *political* significance is another matter); thus Thomas Kirkup insisted:

Yet in the midst of the various theories that go by the name of 'Socialism', there is a kernel of principle that is common to them all. That principle is of an economic nature and is most clear and precise....socialists propose that land and capital, which are the requisites of labour and the sources of all wealth and culture, should be placed under social ownership and control.⁵⁰

It was this definition of Socialism as a distinctive economic theory its critics exploited. Not only did it offer a more tangible and coherent target than Liberal Collectivism and socialistic legislation, but it allowed them to by-pass to a great extent the arguments of New Liberals as an irrelevant

⁴⁹ For a representative New Liberal criticism of Socialism see J.A.Hobson, *The Crisis of Liberalism*, (1909), p.137; "Though Marx and the philosophers of Socialism have been little read in this country, certain characteristics of their criticism, its materialistic interpretation of history, its crude assertion of the rights and function of 'labour', its wholesale repudiation of the legitimacy of rent, interest, and profit, and the doctrine of the absorption of all industry by the State have...been adopted as the authoritative exposition of the movement." See also L.T.Hobhouse's critical remarks on 'Official' (Fabian) and 'Mechanical' Socialism (Marxist) in his *Liberalism* (NY.1964), pp.88-90.

⁵⁰ T.Kirkup, *A History of Socialism*, pp.8-9. The more moderate 'Socialists' were most keen to emphasise this point; see Sidney Ball, "Socialism and Individualism: a Challenge and Eirencon." *Economic Review*, 7, 1897, p.500 : "It is in this sense that the unconscious Socialism of municipal enterprise, or the modified Socialism of English industrial legislation, are not properly examples of Socialism, just because they do not proceed upon a conscious and deliberate economic principle." and William Clarke, "The Influence of Socialism in English Politics" *Political Science Quarterly*, 3.4, December 1888, pp.550-1.

sub-species, which either indirectly encouraged 'Socialism' or else its internal inconsistency threatened its ultimate extinction. Thus the definitions of Anti-Socialists almost exactly matched those of the Socialists. John Rae argued that Socialism had transcended the 'humanitarian' stage of the early 1880s; 'Socialism' was no longer "an affair of feeling, but of organisation."⁵¹ This led many anti-Socialists to avoid confronting Socialism directly on its ethical grounds, as the Individualists had done, and to criticise instead the economic framework which was supposed to nurture Socialist ideals. The critique of Socialist political economy thus became the central point of the Anti-Socialist attack. In this they followed the advice of Alfred Schäffle, whose works were probably the most influential in this period in presenting 'Socialist' economics to non-socialists, who maintained that "the question is undoubtedly one of economics...the Alpha and Omega of Socialism is that transformation of private and competing capitals into a united, collective capital."⁵²

Collectivism came to be seen as the modern form of 'Socialism' which by harmonising with the trend of industrial evolution avoided the fatal organisational weaknesses of 'Communism' -- the egalitarian communitarianism of the early nineteenth century Socialists. In the process Socialism appeared to have lost most of its revolutionary promise; John Rae contended that: "the revolutionary ideal seems...to be retreating...in the socialistic mind into an eschatological decoration, into a kind of future Advent which is to come to be believed in but the practical concerns of the present must be more and more treated in their own practical way."⁵³ By the 1890s this was becoming the accepted public view of Socialism. William Graham's definition was typical: "I take the form of Socialism called

⁵¹ Rae, *Contemporary Socialism*, p.375. Cf. E.C.K.Gonner, *The Socialist State*, (1895), p.1.

⁵² A.Schäffle, *The Quintessence of Socialism*, (1889, English ed.), p.3.

⁵³ Rae, *Contemporary Socialism*, p.44.

Collectivism, which postulates collective ownership of land and capital, with production under State control to *be* Socialism."⁵⁴ This approach to 'Socialism' was however incomplete without reference to Socialism's distinctive theory of social justice which emphasised the position of 'Labour' either as an economic or sociological category.⁵⁵ As Rae noted the equation of 'Socialism' with a state-run economy was insufficient; Socialism was "not only a theory of the State's action, but a theory of the State's action founded on a theory of the labourer."⁵⁶ In the next section there will be a detailed examination of the Anti-Socialist analysis of this type of 'Socialism'.

The achievement of a consensus on nomenclature in the 'Socialist' debate was thus never more than a partial success. Nevertheless there was a growing convergence of interpretation amongst those who were fundamental critics of 'Socialist' ideas, and this was of course partly made possible by a degree of doctrinal consensus within the British Socialist movement. 'Socialism' was no longer treated as ideologically incoherent; Lecky could insist: "The theory of Socialism as taught by Marx and Lassalle, and which now dominates in Continental Socialism, is a perfectly definite one...at least as clear and precise as the Confession of Westminster or the decrees of the Council of Trent."⁵⁷ Although this consensus was somewhat restricted in terms of political strategy, it was a necessary product of the political conflict with advanced Liberalism. Socialists saw the most clear grounds for differentiation in terms of economic theory; this in turn was where Anti-Socialists saw the most obvious grounds for attack, allowing

⁵⁴ W.Graham, *Socialism: New and Old* (1890), p.xxi. On 'Communism' see Robert Flint *Socialism*, (1895), p.17; "communism...is now generally regarded as an effete and undeveloped form of Socialism."

⁵⁵ Some writers made a distinction between 'State Socialism' and 'Socialism' -- the former using state control to perpetuate the existing class system, the latter to overthrow it, but this usage was rare in British discussions, and most commonly encountered where the tradition of a 'conservative socialism' was present, e.g. in Germany and Austria, see W.H.Dawson, *Bismarck and State Socialism*, (1890), pp.2-3.

⁵⁶ Rae, *Contemporary Socialism*, p.13.

⁵⁷ Lecky, *Democracy and Liberty*, p.351.

them to escape from the dogmatism of Individualist critiques, which were increasingly alien to mainstream public opinion.⁵⁸ The result was an increasing circumspection amongst reformist Liberals in self-identification as 'Socialists' (even in some 'ultimate' ethical sense).⁵⁹ This in turn allowed the critics of Socialism to attack a limited but distinctive ideological target, and hence demonstrate their own distinctiveness.

(IV) The Critique of Socialist Economics

Although Socialism was extensively criticised in this period for its economic doctrines, it cannot be pretended that the Anti-Socialist critique achieved any substantial degree of theoretical sophistication.⁶⁰ Most mainstream economists ignored 'Socialism' as a distinctive economic theory altogether and continued to discuss it in terms of state interference in the market economy. Indifference was also encouraged by the concerns of neoclassical economists who were reacting against the previous dominance of Ricardian paradigms in British economics. 'Socialism', which was usually connected with some version of a labour theory of value, was thus seen as deeply indebted to Ricardo's theories. The growing dissatisfaction with the over-schematic models of Ricardo was given added force by his unintended contribution of socialist doctrine.⁶¹ However with most academic economists

⁵⁸ For an extreme example of the 'economistic' critique, see Alice Oldham, "History of Socialism : Part 1" *NR* 16, 1890, p.312: "...all the religious, ethical, and political opinions which various schools have been imported into the question are wholly extraneous to Socialism."

⁵⁹ As Stefan Collini points out "The anti-Individualist had to deal with the arguments against Socialism even if he did not describe himself as a Socialist." *Liberalism and Sociology*, p.34.

⁶⁰ Cf. T.W.Hutchison, *A Review of Economic Doctrines 1870-1929*, (Oxford 1953), pp.293-4, on the poverty of analysis of Socialism undertaken by British economists in this period.

⁶¹ For criticisms of Ricardian economics, see T.Mackay, "Orthodox Economics," *Dangers of Democracy*, p.248. Probably the most outspoken critic of Ricardo as a progenitor of Socialism was the Cambridge economist H.S.Foxwell, who argued that the English Socialists as well as Marx had adapted Ricardo's labour-cost doctrines to a notion of desert-based right to the

distancing themselves from classical economic paradigms in general, they felt little concern with tackling Marxian economics (as one of the last productions of the classical tradition). In retrospect this dismissal seems to have been unduly complacent, and it was not shared by Continental economists, who were beginning to consider the problem of economic mechanisms under Socialism.⁶²

Therefore most critics of Socialism responded in a particular way when they answered Socialist criticisms of capitalist exploitation. Generally speaking they were most interested in Marx's *Capital*, volume one (firstly in the French translation, and then available in English in 1887), though some consideration was given to what were seen as the similar ideas of Lassalle. As a result they were almost entirely concerned with refuting Marx's account of his theory of value, presented in volume one. Marginalist economists were particularly keen to rebut the claim that goods exchanged under normal conditions according to the amount of embodied labour time. As marginalists rejected any historical or logical priority of values to prices, they found Marx's account defective in its claim that values in use were different to values in exchange in not being related to measurements of abstract utility; labour itself could not be a constituent element of either specific or abstract utility. Labour conferred value, but was not an element of it.⁶³ Other criticisms of the labour theory concentrated on productivity of capital, being evident in greater surplus values achievable with greater

Owen, who gave the really effective inspiration to English Socialism. That inspiration was indirect and negative, but it is unmistakable."

⁶² The so-called 'Calculation Debate' between anti-Socialist and Socialist economists in the inter-war years is now well known. This debate centred around the problem of whether planning mechanisms could actually, in economic and epistemological terms, calculate and thus allocate resources efficiently. For the earliest contributions see N.G.Pierson, "The Problem of Value in a Socialist Society" (1902) and Enrico Barone, "The Minister of Production in a Socialist State" (1908), reprinted in F.A.Hayek ed., *Collectivist Economic Planning*, (1935). For an account of the whole debate, see Don Lavoie, *Rivalry and Central Planning*, (Cambridge 1985).

⁶³ Wicksteed, "The Marxian Theory of Value" *Commonsense of Political Economy*, vol.2, (1933), pp.705-33.

compositions of constant capital, the difficulty of formulating a common measure for skilled and unskilled labour in calculating embodied labour time, and the importance of capital in allowing greater value to accrue through 'waiting.'⁶⁴ The theoretical aspect of this debate is not however the main consideration here, rather it will be shown how Anti-Socialists attempted to build up a critique of Socialist political economy which would have immediate appeal amongst the 'commonsense' economic beliefs of the propertied classes.

In terms of its 'positive' proposals, some critics of Socialism continued to insist that as the ideology was Utopian there was no sense in which its economic structure could be constructively criticised because it merely assumed post-scarcity conditions and social harmonies. Helen Dendy complained of Socialism's "Utopia painting":

Except in one or two isolated departments the Socialist offers us nothing but brilliant caricatures of society under the so-called capitalist system, and imaginative sketches of the past, upon which to construct the future society of our aspiration.⁶⁵

This was however insufficient cause for ignoring Socialist economic blueprints, however Utopian; indeed Anti-Socialists believed they were the weakest point of the Socialist case. Even on this point there were unresolved difficulties. It might have appeared that the gradual acceptance of some measure of public ownership as potentially beneficent by both the public and academic economic opinion would have undermined the Anti-Socialist case

⁶⁴ Probably the most searching and comprehensive criticism of the Marxian economic system in this period was Eugen von Böhm-Bawerk, *Karl Marx and the Close of his System*, (1896; English translation 1898). This work was of particular importance for critics of Socialism because it examined Marx's system as a whole (*Capital*, vol.3 had come out in 1894), and was founded on a powerful rebuttal of Marx's account of the formation of values in the capitalist economy. Böhm-Bawerk's work appears not to have influenced British economists, despite the view of Jane Stoddart, *The New Socialism*, (1909), p.29 that his criticisms were "felt to be conclusive". Böhm-Bawerk's arguments were however adapted by an American writer, O.D.Skelton, *Socialism: a Critical Analysis* (1912).

⁶⁵ Dendy "Socialist Propaganda", p.109.

(as indeed the Fabians consistently pointed out to their critics). This difficulty was avoided by concentrating entirely on the problems inherent in a post-capitalist, non-market Socialist society. They criticised the mechanisms of calculation and allocation of a centrally directed economy, which relied mostly on labour-time calculations, together with all the incentive and distributional problems which would arise in such a system.

Before examining these criticisms, the economic doctrines of the late-Victorian Socialists must be examined to show that the Anti-Socialism criticism was hitting the correct target. There is of course no single Socialist economic theory to be identified, but a certain number of beliefs were shared by Socialists across the ideological spectrum. It appears that practically all Socialists (that is, those in Socialist organisations) defended a planned economy though they differed over standard of remuneration and distributive justice. But even the Fabians, whose conception of the 'completed' Socialist economy was notoriously elusive, seem to have envisaged the practical disappearance of market allocation.⁶⁶ This commitment was made clear in the original *Fabian Essays* (1889) -- with Annie Besant insisting:

The Municipalities and Central Boards will take the place of competing small capitalists and the rings of large ones; and production will become ordered and rational instead of anarchical and reckless as it is today. After awhile the private producers will disappear, not because there will be any law against individualist production, but because it will not pay.⁶⁷

⁶⁶ Noel Thompson *The Market and its Critics: Socialist Political Economy in Nineteenth Century Britain*, (1988) convincingly demonstrates, to my mind, that no Socialist of importance in the period discussed imagined that a 'market' Socialism was either viable or desirable.

⁶⁷ A. Besant "Industry under Socialism", *Fabian Essays* (1889), p.158. It is of course true that Fabians could have accepted something less than a planned economy according to their 'rental' theory of exploitation, but part of problem of quasi-rents was deemed to be the 'anarchy' of capitalist production; socialist planning would correspondingly reduce the scope for 'rental' gains. It is perhaps worth noting that the term 'planning' had not entered general circulation in the Socialist vocabulary let alone been subjected to serious economic analysis. Engels was one of the few Socialists to use the term, see *Socialism: Utopian and Scientific* (1892), repr. in Marx and Engels, *Collected Works*, vol.24, (Moscow 1989), p.323: "...with the seizing of the means of production by society,(a)narchy in social

Socialists in the Marxist and ethical traditions were more explicit about this commitment. It is possible to see in their ideas a strong belief in a production-for-use economy, insistence on 'rational' allocation by planned production, the possibility of a direct correlation of consumer wants and producer abilities, a conviction that knowledge of future economic trends could be centralised to remove periodic crises, and a removal of the wasteful excrescences of capitalism; middlemen, advertising, salesmanship. Most of these convictions were presented as practicable propositions, although the most obvious feature of Socialist political economy was the emotional conviction that economic harmony was attainable. Naturally there was disagreement over the problem of accountability within the economic organisation, partly between the varying interests of producers and consumers, but especially between the relative centralisation of decision making in the planning process.⁶⁸

There was however greater diversity on questions of remuneration and valuation under Socialism. Given the emphasis that most Socialists attributed to labour theories of value to identify the source of capitalist exploitation, there was a tendency to assume that labour time calculations could be directly utilised for valuation under Socialism. The patrimony of such a view was obviously that of the Ricardian Socialists rather than Marx. British Marxists were however confused about Marx's account of valuation in the pre-abundance stage of Socialist society.⁶⁹ Hyndman for example

and Engels, *Collected Works*, vol.24, (Moscow 1989), p.323: "...with the seizing of the means of production by society,(a)narchy in social production is replaced by systematic definite organisation...socialised production upon a predetermined plan becomes henceforth possible."

⁶⁸ Laurence Gronlund was one Socialist who insisted that the economy be deliberately centralised, see *Cooperative Commonwealth* (1908 ed), p.125: "Division of Labour *demands* centralisation, or anarchy is the result."

⁶⁹ Marx intended that his labour theory of value could only explain capitalist phenomena, but he recognised that as Socialism would not achieve abundance immediately, it would require some form of valuation.; in his *Critique of the Gotha Programme* (*Collected Works* 24, Moscow 1989), p.86, he argues that workers will be rewarded in direct proportion to

seemed to believe that a Socialist economy would be able to calculate economic requirements directly, in physical terms:

In a society where goods should be produced for general use....the question would be, how many hours of average time will be needed to produce so many tons of iron, so many coats, so many hats etc., as may be sufficient to supply all the wants of the community...When this was settled, and the goods were available, anyone who knew the figures could tell -- not indirectly -- precisely how much social labour as measured by time was incorporated in every useful article to be found in the communal stores.⁷⁰

Many Socialists assumed that exchange under Socialism would have had a 'directness' which was absent from complex commodity production, but would nevertheless allow for a practically frictionless planning system capable of supplying complex wants. As Thompson points out this was to see labour time in logistic rather than economic terms, practically assuming that there existed a mechanism for discovering the 'social utility' of goods in complex societies. With little sense of the competing uses of resources and of opportunity costs this variant of Socialism was particularly vulnerable to marginalist criticism, which insisted that some more convincing mechanism for weighing varying uses needed to be discovered for the moneyless economy. On the other hand those Socialists who had taken on board marginalist criticism, namely the Fabians, were generally ignored -- a result of both the economic ignorance of the Anti-Socialist critics and the vagueness of the economic mechanisms operative in the Fabian Socialist economy.⁷¹ 'Planning' according to some version of labour-time valuation thus formed the main economic paradigm of late-Victorian Socialism.

contributions of labour-time, receiving a labour certificate rather than money.

⁷⁰ H.M.Hyndman, *The Economics of Socialism*, (1896), cited in Thompson, *Market and Critics*, p.225. This is similar to Engels' remarks in *Anti-Dühring*, (Moscow, 1987), p.272.

⁷¹ See L.L.Price, *Co-Partnership and Cooperation*, (1914), p.9: "...a broad belief in surpluses accruing to different classes...or to different individuals, without a commensurable exertion of their own, with a general persuasion that such 'unearned' gains should be secured for the public benefit...may be regarded as the common features of part, if not all varieties of contemporary Socialist propaganda. But the vague, attenuated comprehension contrasts notably with the definite objections of Marx's dogmatic logic."

This line of criticism was enthusiastically exploited by the opponents of Socialism, as it seemed to offer a compelling case for the market mechanism of allocation. One of the most influential attacks on the socialist economy had been that of the Austrian economist, Alfred Schäßle, whose *The Quintessence of Socialism* (1873, English translation 1889), had powerfully criticised existing Socialist models of allocative efficiency from a position of some sympathy towards 'Collectivism.' Schäßle's work was unusual in that it tried to construct a realistic model of a centrally directed Socialist economy, and proceeded to examine its shortcomings. There is little doubt that most critics of Socialism drew their understanding of Socialist economics from this work as much as from the ideas of the *soi-disant* Socialist theorists.⁷² Schäßle made a particularly strong attack on the viability of an economic system based on 'planning', warning that "the socialist theory of value, so long as it depends for the computation of the value of commodities only on their cost to the community, and not their constantly changing value...at given times and places, is quite incapable of solving the problem of production with collective capital."⁷³

Anti-Socialists therefore attacked not only the political dangers posed by the imposition of centralised direction of the economy, but also the very possibility of this system possessing the requisite informational and allocational mechanisms to keep production plans and consumer preferences in harmony. As Paul Leroy-Beaulieu remarked the 'anarchy' of the market would bear no comparison to that endured under Socialism:

If irony, so favourite a weapon with Marx and Lassalle, were resorted to in criticising their childish schemes for organising national production and consumption by means of omnipotent councils, what a picture might be

⁷² For example Flint, *Socialism*, p.254-5 on the centrality of Schäßle's work in understanding 'Socialist' economics.

⁷³ Schäßle, *The Quintessence of Socialism*, p.59 . He took as axiomatic that planners would be able to introduce some degree of complex use values into calculations. See also the perceptive comments of the German Historical economist, Erwin Nasse, *Jahrbuch für Gesetzgebung*, 1879, cited by Hutchison, *Economic Doctrines*, p.297.

painted! How easy it would be to depict the perplexities and miscalculations of the oligarchy.⁷⁴

It was contended that the very complexity of the modern economy could not be subject to control, and the type of knowledge for decision-making was necessarily the product of decentralised and free interactions; as Flint noted the problem of allocation "cannot be solved by the reasoning and calculation, the legislation and administration, even of the wisest and most uncontrolled rules: it can only be solved, as it is actually solved, by leaving men free, each ..to seek his own interest and to attend to his own interest."⁷⁵ Socialist claims that statistical returns could be used to assess consumer wants drew predictable ridicule. E.S.Robertson argued that the inherent inefficiency of this process would ultimately cause rationing to be introduced as the normal means of maintaining production:

If any socialist were asked, "suppose Socialism established now, how many suits of clothes, and of what quantities, will have to be in stock for the township of Little Puddington on the first of next June?" Either he could not answer the question or he would be compelled to fall back upon the decree of a uniform.⁷⁶

These deficiencies would however only encourage the continuous expansion of bureaucracy, as it made ever more desperate attempts to maintain its 'plan'. Leroy-Beaulieu predicted that a "collectivist regime would necessitate a bureaucracy of the hugeness of which we can form no conception, far larger, more pedantic, and more dilatory than we now possess."⁷⁷

Anti-Socialists argued that the central direction of the economy would encourage the erosion of consumer choice rather than produce the promised 'abundance.' They pointed out that the system would soon degenerate in political authoritarianism. W.S.McKechnie argued that there would be a

⁷⁴ P.Leroy-Beaulieu, *Collectivism*, (1884, 1909), p.162.

⁷⁵ Flint *Socialism*, p.237.

⁷⁶ E.S.Robertson, "The Impracticability of Socialism" in T.Mackay ed., *A Plea For Liberty*, (1891), p.71.

⁷⁷ Leroy-Beaulieu, *Collectivism*, p.164.

structural necessity for producers' interests to take precedence over those of consumers:

(I)f all industry and commerce must be managed from a central authority which has to calculate and regulate everything; it follows that all deviations from the appointed and expected routine on which the calculations are based must be strenuously put down. The order of things established by the State must be maintained at all costs, and all opposing and individual interests...must be remorselessly brushed aside.⁷⁸

One loss would be the right to occupational choice, which despite its apparent formalism under actually existing capitalism, was often emphasised to working class audiences; W.D.MacGregor, in an answer to Blatchford, insisted the concept could have no meaning in a "planned" economy:

Men who found themselves relegated to uncongenial work could not escape from their servitude and the irksomeness of their position would not be relieved by the fact that it was the will of the majority that had done it. They would be inclined to think that they had suffered from lack of favour with those in authority. Under this regime every man would be as in an army, where he must do what he is told. Choice of employment would be out of the question.⁷⁹

Anti-Socialists used this point to exploit residual anti-statism amongst the public; Flint insisted: "The Collectivist State would be the sole producer, and every individual would have to take just what it was pleased to produce. At present demand rules supply: in the collectivist system supply would rule demand."⁸⁰ With the severe restriction of consumer choice would come the demise of the incentive structure of Socialism. Lacking the kaleidic change of a market system Socialism would have little incentive to innovate in its production plans. Invention and entrepreneurship would disappear, but this would not mean the disappearance of an economic elite. As the central direction of the economy demanded political as well as economic equilibrium, democratic control of production was chimerical. A Conservative Party handbook put it thus:

⁷⁸ W.S.McKechnie, *The State and the Individual*, (Glasgow 1896) p.192.

⁷⁹ W.D.MacGregor, *The Path Of Progress*, (Manchester, 1896), p.77.

⁸⁰ Flint, *Socialism*, p.241; see also Leroy-Beaulieu, *Collectivism*, pp.165-6.

As a result of periodical state elections, the chief executive officers of the State might be changed, yet it would be impossible to make an entire change....such a course would involve an amount of administrative chaos as would fatally hamper production.⁸¹

The absence of adequate incentives within the industrial hierarchy was also seen as a blatant omission. It was pointed out that "that the substitution for natural selection of artificial selection by representative bodies would mean an immense sacrifice of national income. One could not take part in a trial without being chosen."⁸²

There was an even greater problem in the unsolved problem of ordinary remuneration under Socialism, especially as most Socialists supported a moneyless economy. This reopened the problem of using labour-time calculations, but there were also broader issues of freedom to choose employment and problems over choice of production techniques. Philip Wicksteed was convinced that Socialist planners would have to invent some mechanism to compare marginal contributions of different occupations, but was pessimistic about the feasibility of this:

Is it possible to conceive of any machinery by which the marginal significance of each should be determined without anything corresponding to the present system of free experimental combination and transference from group to group in which each individual is urged by his desire to fulfil own purposes to seek the place in which his marginal significance is highest?⁸³

The calculation of productive effort in terms of mere labour time was also seen as likely to debase the existing work ethic, discouraging the workforce to attempt any form of economising; as William Graham asked "What is the stimulus to an individual to produce much, since his wages depend on the time he labours, not on the energy, intelligence, or economy of his labour." He argued that as a result the Socialist's attempt to accommodate some measure of utility to this form of calculation through "socially necessary"

⁸¹ (G.Raine and P.Elgee), *The Case Against Socialism*, (1908), pp.208-9.

⁸² S.J.Chapman, "Industry and Commerce under Socialism" *Liberty*, Vol.2, no.1, April 1910, p.9.

⁸³ P.Wicksteed, "Some Further Analyses", *The Commonsense of Political Economy*, Vol.2, p.682.

labour time had no validity because such 'times' were easily degraded in the absence of competition; "...would it not be the obvious and direct interest of all not to increase production, but to work leisurely through the day?"⁸⁴

There was therefore something of a convergence of opinion amongst Socialism's critics as to the failings of its political economy. Socialism, it was claimed, combined both inefficiency and authoritarianism, and as a result the system would be dogged by instability because of constant trade offs between the demands of planners and the desires of the workforce. Nothing in the structure of economic allocation under Socialism encouraged a belief in industrial democracy, with the most likely result being even more bitter distributional conflicts than in capitalism, as various sectional interests tried to gain subsidies in the absence of any means of accurately determining relative efficiency in production. It is possible to see in most of these critiques the suggestion that Socialism would ultimately degenerate into tyranny, and it was the connection of Socialism with authoritarian statism which became increasingly dominant in Anti-Socialist propaganda as time went on.

(V) The Origins of Totalitarianism?: State and Society under Socialism.

It followed from the Anti-Socialists' economic critique that the Socialist State would enjoy a preponderant influence over society. This was seen as opening the doors to a bureaucratic despotism, and the dystopian visions of many writers imagined a world which was not dissimilar to later anti-totalitarian literature.⁸⁵ At the same time Socialism was also accused of

⁸⁴ W.Graham, *Socialism: New and Old*, pp.204-5.

⁸⁵ One of the best known of these dystopian productions was Eugen Richter's *Pictures of the Socialistic Future* (1893). Richter was a leading member of the left-liberal, Progressive Party in the Reichstag, and his book was a grim picture of life under a Social Democratic regime in Germany, which ended in anarchy and civil war.

encouraging a dangerous sense of moral experimentalism and dissent into public life. Socialists were often attacked for their extreme individualism in matters of morality, a tactic which allowed Anti-Socialists to link them to the more radical fringes of the Individualist movement proper. It was further stimulated by the inherent materialism of Socialists, who were more guilty than capitalists in their obsession with the economic aspects of life.

The Anti-Socialist criticism of Socialism's attack to civil society had some features in common with earlier conservative critiques of 'Jacobinism'; Socialist concern with achieving social justice would inevitably degenerate into the coercion of the masses because they were unwilling to sacrifice the freedom of private life to uphold impersonal social ideals. Socialists, critics argued, would not confine the 'planning' mentality only to the economic sphere. Flint criticised "(t)he prevalent socialistic mode of solving the problem of social organisation (which is) of simplifying it by eliminating as many of its essential elements as render the task of Socialism difficult."⁸⁶ This would strengthen the control of the oligarchy, as the opportunities for genuine political action died out, for which the excessive claims of the ordinary citizens in the early days of the Socialist regime would be responsible; as one critic put it:

Before we knew socialism, we used to say that democracy tended naturally to despotism. The situation seems somewhat changed, and we might now say that it tends to socialism; really nothing has changed. For in tending towards socialism it is towards despotism that it tends.⁸⁷

However Anti-Socialists saw the danger in making too obvious the correspondence between hostility to Socialism and to Democracy, which had been the main target of conservatives immediately prior to 'Socialism'. Some saw in the cause of an anti-statist libertarianism the substance for creating a democratic rhetoric, which would protect them from being labelled either

⁸⁶ Flint, *Socialism*, p.276.

⁸⁷ E.Faguet, *The Cult of Incompetence* (1911), p.65.

as reactionaries or ultra-Individualists. Dicey turned his attack on contemporary 'socialistic' bureaucracy into a positive defence of a 'conservative' democracy, which through such instruments as a Referendum, would thwart radical change imposed by 'Socialist' elites; he thus argued:

The ideal of democracy...is government for the good of the people, by the people, and in accordance with the wish of the people; the ideal of collectivism is government for the good of the people by experts...who know, or think they know, what is good for the people, better than even...the mass of the people.⁸⁸

It was thus likely that some form of class system would emerge under Socialism; "It is clear that, so far, from class distinctions being abolished under Socialism, they will be perpetuated in a new and more oppressive form."⁸⁹

The conservative underpinnings of the critique of Socialism could be clearly seen in the attribution of Socialism of an essentially anti-organic view of society. The promiscuous use of organic metaphors in upholding different ideals of community requires some discrimination between conservative and New Liberal views, but it was not difficult to see an underlying 'Burkeanism' in many Anti-Socialist works. Socialists were accused of "regarding society as something which can be cut up, arranged and remodelled at will."⁹⁰ Some critics turned accusations of 'atomisation' in liberal ideology against Socialism; F.W.Headley put this point in strong terms:

Socialism...has no just claim to the credit of taking an organic view of society as an aggregation of units. What Social Democracy proposes to do is to compress all the individual units composing a community or nation into an economic system which will secure for each unit the maximum enjoyment for the minimum of necessary labour. In this conception there is no recognition of the true nature of society...as an organic whole, with interests of a properly social, moral, and spiritual character. Such Socialism is obviously individualist in its ideal and aims. It differs from Individualism

⁸⁸ Dicey, *Law and Public Opinion*, p.lxxiii.

⁸⁹ (Raine and Elgee), *The Case Against Socialism*, p.220.

⁹⁰ Gonner, *The Socialist State*, pp.123-4.

only in its employment of social force and pressure in order to realise its ideal.⁹¹

It is not surprising that these assaults on the 'materialistic' nature of Socialist ideals drew on the pre-existing discourses of 'character', which had formed a staple of popular Victorian moralism.⁹² Helen Dendy's assertion on this point was only a most forthright version of a commonplace in Anti-Socialist literature of the period:

As in their reconstruction of society they leave out of account the effect upon character, or treat it with superficial optimism, so also they would minimise the influence of individual character in determining the prosperity of society.⁹³

The attack on 'Socialist Man' was wide ranging, and accommodated some apparent contradictions, demonstrating the different 'libertarian' and 'traditionalist' beliefs which were deployed against Socialism. On one hand Socialism stood accused of encouraging proletarian materialism and philistinism, which would value hedonism not the responsibilities of work and home, whilst on the other it was guilty of imposing a rigid uniformity and control on the mass of people, crushing out all individuality. These different perspectives reflect in part different types of class appeal; the middle classes were constantly reminded of the threat of revolution, the working classes of the bureaucracy's indifference to their rights. But to draw the distinction too rigidly is to miss the point that Anti-Socialists believed that they were defending a common moral consensus. Anti-Socialists often defended an ideal of individual independence, which had resonances amongst differing class ideals; George Brooks' *God's England or The Devil's?*, a riposte to Blatchford's *Merrie England*, was targeted at the upper working

⁹¹ F.W.Headley, *Darwinism and Modern Socialism*, (1908), p.333.

⁹² For an illuminating discussion of this theme see Stefan Collini, "The Idea of 'Character' in Victorian Political Thought," *TRHS*, 5th Series, XXXV, 1985, pp.29-50.

⁹³ H.Dendy, "The Socialist Propaganda" p.117. Married to Bernard Bosanquet, she was one of the leading theorists of the Charity Organisation Society, which was seen as moderately Individualist and strongly Anti-Socialist.

classes, but its appeal to 'independence' was practically identical to those in more intellectual works:

Socialism would dwarf and ultimately destroy mental selfhood, by eliminating from human nature....the power of judgment, of discrimination, of choice, of decision by which power human beings are able to take their own way, choose their own lot, develop their own faculties, and make the best of themselves.⁹⁴

The critic of Socialism was however constantly aware that Socialist or New Liberal counter-attacks would try to label him as a ultra-Individualist, thereby discrediting any attempt to link criticism of Socialism with support for limited social reform. Anti-Socialists thus distanced themselves from the perceived egoism of the Individualists. The defence of the institutions of the family and nation was a common feature of Anti-Socialist writing, symptomatic of a moderate conservatism, and which had the additional attraction of not being ideologically innovative. It was in these corporate attachments that the critics of Socialism were able to condemn Socialism and also to have an answer to the non-Socialist communitarian critics of mainstream Individualism. The various arguments raised in defence of the independence and responsibility of associational life were compatible with both Individualism and Conservatism; E.F.B. Fell noted this aspect of Anti-Socialism in 1908, suggesting that the convergence between the two ideological traditions by this stage was nearly complete:

(I)t is a strange anomaly that the chief and commonest modification of the Individualistic creed consists in the frequent recognition of the moral character of the Family and the Nation...And this is the more strange when we reflect that the Socialist in his turn, contrary to what one might have expected, actually opposes with his whole force these beginnings of society, which are essentially anti-individualist and essentially social.⁹⁵

The defence of the family thus proved to be one of the Anti-Socialists' favourite arguments, and it enjoyed an often melodramatic presentation in the more populist attacks on Socialism. Although some critics of Socialism

⁹⁴ G.Brooks, *God's England or the Devil's?* (1895), p.100.

⁹⁵ E.F.B.Fell, *The Foundations of Liberty*, (1908), p.21.

believed that the family would not necessarily be part of Socialist reconstruction, most Anti-Socialists wished to attack in 'cultural' as well as economic spheres.⁹⁶ This might involve economic arguments, maintaining that the family inherently favoured private accumulation.⁹⁷

But the main argument was to defend the family as the best institution for character formation, encouraging self-help and an aversion to the dependent status of those receiving public assistance, an argument which was constantly reworked in criticising Liberal welfare measures. It was suggested that Socialists had more sinister motives in their dismissal of the family because it formed a focus of loyalties outside those of an otherwise monopolistic state:

One of the principal reasons which seems to account for the Socialists' hatred of family institutions is that, in their minds, family life partakes essentially of "monopoly." What right, argues the Socialist, has any small group of persons to seek their life and happiness *apart from* the rest of the community.⁹⁸

The demise of the family would be replaced with a demoralising and impersonal communalism. At its most extreme this could lead to proto-totalitarian imagery as in the words of one Conservative critic:

In place of the present home life, which has hitherto been regarded as one of the institutions on which the British have most cause to pride themselves, there is to be substituted...a universal system of Foundling's Hospitals for the children, and not improbably a sort of barracks accommodation for the parents.⁹⁹

This process would be facilitated, Anti-Socialists argued, by a loosening of accepted standards of personal morality, and diatribes against Socialists preaching 'free love' filled the pages of Anti-Socialist tracts. The impact of this type of polemic can only be guessed at, but it might have offered more compelling argument for working class audiences (especially

⁹⁶ For a rare denial that Socialism had anything inherent interest in the family, see Gonner, *The Socialist State*, p.122.

⁹⁷ See for example J.Ellis Barker, *British Socialism*, (1908), p.330.

⁹⁸ (Raine and Elgee), *The Case Against Socialism*, p.400.

⁹⁹ *Ibid.*, p.402.

women) than the strictly economic, and it might also say something of the underlying psychological fears of late Victorians and Edwardians of beliefs which were only tangentially, but conveniently, attached to Socialists.¹⁰⁰

The attack was broadened to a generalised critique of Socialist 'materialism,' which was based on an extreme version of 'utilitarian' ethics. This view had been expressed in a slightly different form of Owen's extreme environmentalism during an earlier debate on socialism, and its revival marked a move away from seeing Socialism as upholding a strongly romantic ethical code, which could be criticised for unworkability and perversity, but not for its ultimate content of social justice and fraternity. Later critics of Socialism however maintained that Socialism was culpable because of its inherently misdirected ethical code. Socialists became the heirs of the Benthamites in the eyes of some conservative critics -- Robert Flint, for example, opining: "Socialism, naturally bases its moral doctrine on utilitarianism, on altruistic hedonism...It tends therefore on all altruism does to identify 'right' and 'wrong' with *social* and *anti-social*."¹⁰¹ It was thus possible to argue that Socialism had little in common with the contemporary organicist and communitarian social theories, which attempted to balance individual and communal development, but rather it was the true descendant of the materialistic Utopianism of the French Enlightenment: "It is not scientific economics but utopian and revolutionary Socialism which has sprung from the crude materialist sensism of the eighteenth century."¹⁰²

Such a line of attack suggested that Anti-Socialism was compatible with the prevailing organic metaphors of social and political theory. By

¹⁰⁰ Favourite targets in this area were the German Socialist leader, Bebel, author of the feminist tract, *Die Frau und der Socialismus*, (1883), as well as Blatchford, Bax, Carpenter, Shaw and Wells.

¹⁰¹ Flint, *Socialism*, p.372.

defending the institutions of civil society which offered the individual substantive allegiances to entities greater than himself, but retaining the need for individual responsibility, the charge of egoism was avoided. Although the organic view of society posited against Socialism had little in common with either traditional paternalism or later theories of 'corporatism', its underlying implications were conservative. The authors of the critiques of 'Socialism' were seldomly sympathetic to the more 'advanced' versions of Liberalism, as barriers to Socialism. Indeed some writers appeared to take advantage of the extreme claims of 'Socialism' to defend a modified concept of Individualism, which rejected any simple denial of the State's positive functions. In their different ways both Sidgwick and Bosanquet sought to make Individualism a more attractive creed, saving it from the ethical and political commitments which made it so unappealing to many Anti-Socialists.

This survey of late-Victorian and Edwardian reactions to Socialism has demonstrated the process by which a dystopian 'Socialism' was invented in parallel to the utopian versions of their antagonists. It has also shown how this development required a removal from circulation of 'Socialisms' which in ideological terms were little more than reformulations of liberalism. Anti-Socialism therefore required a distinctive Socialism to be accepted in general discourse for its counter-arguments to carry weight. In practice, 'Socialism' came to be defined as the public ownership of the means of production, exchange and distribution -- a definition which dominated much later debates.¹⁰³ By the late 1890s, many non-Socialists believed that little more could be said on the matter of Socialism; F.C.Montague claimed: "It is scarcely possible to say anything new with regard to Socialism."¹⁰⁴ There

¹⁰³ This was the definition increasingly accepted in public debates between Socialists and Anti-Socialists, see for example, E.Stacy and A.Seton, *Is Socialism Desirable?* (Nottingham 1896), p.1.

¹⁰⁴ Montague, review of Gonner, *The Socialist State*, *EJ* 5, 1895, p.573.

was a certain dropping off in academic, non-Socialist studies of Socialism by British writers from the late 1890s. This left the way open for a much cruder form of Anti-Socialist diatribe (which was in itself nothing new) directed to a non-academic audience and often connected with the Unionist Party or one of the growing number of Anti-Socialist pressure groups.

As a result 'Socialism' became a receptacle for all middle class fears about their future in a polity which they believed would be dominated by the working classes. The criticisms of Socialism were aggressive, and they were shaped to meet different needs; Anti-Socialist propaganda designed for the working classes played upon that class's dependence on capitalism for material security -- the advent of Socialism would bring anarchy, which would be controlled only by a newer and more ruthless oligarchy. Appeals to the middle classes were obviously less problematic, insisting on the intellectual and political crudity of Socialism, and the lack of support it would win amongst the working classes, providing that extreme counter-reactions were avoided. It does not make sense to see 'Anti-Socialism' as a coherent political creed, despite the common features in the criticism of Socialism, rather it is best seen as a reworking of traditional themes of popular libertarianism and anti-statism which had been deployed against other radical doctrines earlier in the nineteenth century. To these were added the beginnings of a more sophisticated critique of Socialist economics. These two approaches were to become increasingly necessary to everyday political rhetoric in the early twentieth century, and thus we should see the importance of Anti-Socialism as a transformative ideological phenomenon which provoked the doctrinal modernisation of both Conservatism and moderate Liberalism.

CHAPTER TWO.

INDIVIDUALISM AND AFTER: THE INDIVIDUALIST CRITIQUE OF SOCIALISM.

(I) Introduction: Inventing 'Individualism'

"The question of today is; what ought the Government to *do*?....Whatever the form of the Government may be, the question still remains to be answered; What are its duties? Are we to adopt Socialism? or are we to adopt Individualism?"

Wordsworth Donisthorpe, *Individualism*, (1889), p.59.

In the previous chapter it was established that 'Socialism' provoked a diversity of reactions from its critics, and though a number of common arguments and beliefs were identifiable, they did not form an *ideology* as commonly understood. Therefore in order to fully understand Socialism's role in reshaping adversary ideologies, it will be necessary to look at a distinctive and internally coherent counter-ideology, whose main doctrines constituted a direct challenge to late-Victorian 'Socialism'. 'Individualism' formed the most obvious reference point for contemporaries looking for a 'positive' Anti-Socialist ideology. Although Individualism attracted comparatively few committed adherents and its political influence was correspondingly disappointing, it nevertheless forms a crucial part of our discussion of late Victorian interpretations of 'Socialism.' Individualism played a central role in a negative capacity in structuring the whole debate on Collectivism and Socialism, its influence perceptibly extending to those who did not share its main philosophical contentions. At the same time there is also a need to explain why Individualism failed as an Anti-Socialist ideology, and how this

affected the political strategies of those who wished to defend the free market and limited government before 1914.

Individualism was a species of *classical* liberalism, which saw its role mainly in defending the 'traditional' liberalism of the mid nineteenth century from the attacks of the New Liberalism and Socialism.¹ It is a fair criticism of Individualism that it made no effort to distinguish between *welfarist* liberalism and Socialism, but this was an inevitable result of its conviction that all ideologies could be reduced and understood as essentially libertarian and authoritarian ones. Unlike many non-Individualist critics of Socialism, the Individualists were comparatively uninterested in what were seen as specifically Socialist doctrines -- such as the labour theory of value. Instead Individualists argued that society faced a fundamental and resolvable choice between Individualist and Collectivist modes of social organisation. The conflict between the two ideologies was understood in the terms of a zero-sum game; Individualists insisted that outside the limits of the minimal state (however defined), any increase in *state* power was a move towards Socialism. Individualists thus understood ideological choices in terms of a linear plane between two ideal types of society, with actual societies constantly moving along this scale; in the view of fundamentalist Individualists the realisation of one of the ideal societies was considered practicable and this was the belief which motivated their political activity. Individualists saw 'Socialism' as founded on an ambitious theory of 'positive' rights: every individual had a claim on all others to certain goods -- welfare resources, employment, etc. These rights supplanted the negative (or forbearance) rights of Individualism, however as these rights could be enforced by the State alone, they argued that it would grow strong at the

¹ The term 'Individualism' was rarely used in Britain before the 1870s to describe a political ideology synonymous with 'classical' liberalism or 'philosophic Radicalism' see K.W.Swart, "Individualism in the mid-nineteenth century" *Jnl.Hist.Ideas*, 13, (1962), pp.77-90.

expense of its citizens, as only it was able to give content to these 'rights.' One likely effect would be the desuetude of these rights, so any claim the individual had against the social whole would become purely formal; instead the needs of individuals would tend to be calculated against the requirements of the omnipotent state. Socialism would be an unintended product of the 'Hobbesian' conditions of modern democracy.

Individualism represented one of the most important strands of late nineteenth century liberalism, being the main opponent of the 'New' Liberalism.² The conflict between the two can be seen as a dialogue *within* liberalism, with both adapting and defending core liberal doctrines -- though to present the debate as one between 'positive' and 'negative' conceptions of freedom ignores many of their most interesting points of disagreement. At stake was an attempt to establish a hegemonic understanding of what 'liberalism' was in the public mind. Each side thus presented the beliefs of the other as fundamentally antagonistic to conceptual integrity of the liberal 'tradition' -- the Individualists were presented as crypto-Conservatives and the New Liberals as Socialists. This often confusing debate cut across and complicated the broader one between Socialists and their critics. Individualism thus tended to occupy a no-man's land between conservatism and liberalism, partly because the challenge of Socialism automatically forced Individualists into a defensive position, and partly because the ideological constraints thereby imposed facilitated a corresponding tendency towards *doctrinal* conservatism. Yet Individualism was never simply an unconsciously conservative defence of a beleaguered mid-Victorian Liberalism. Although a number of *soi-disant* Individualists saw the issue in

² Comparatively little work has been done on late Victorian Individualism, a notable exception is M.W.Taylor, "The Paradise Lost of Liberalism :Individualist Political Thought in Late Victorian Britain", (Unpublished D.Phil. Oxford 1989); see also Collini, *Liberalism and Sociology*, pp.16-28, and Andrew Vincent, "Classical Liberalism and its Crisis of Identity" *Hist. Pol. Thought*, XI.1, Spring 1990, pp.143-161.

these terms, an equally important faction emphasised the need to complete the Individualist project of establishing a truly minimal state by political action.

To some of its advocates, Individualism appeared to be nothing more than a broadly based systematisation of 'common sense' Liberalism, which only required the structural constraints of an 'ideology' because of 'Socialism.' Hence it appeared to lack a strongly defined content; as one critic of Individualism noted:

If it be true...that our present civilisation is founded on an essentially individualistic basis, this fact may explain to some extent why the word "Individualism" is less familiar than "Socialism." A thing of everyday use is less noticed, while a change attracts attention....It may be because the mass of modern men are all Individualists that they find it unnecessary to adopt a special name to call attention to the circumstance.³

This identity problem was further exaggerated by the tendency of some Individualists to defend their beliefs as non-ideological, pseudo-scientific deductions from natural or social laws, (there being a scientific Individualism as well as a scientific Socialism in Victorian thought). Thus a writer in the ultra-Individualist *Liberty Review* could complain:

Individualism is the natural system, and would never have had got a distinctive name, or have had to search for its principles, and the reasons on which they are founded, but for the rise of the artificial system of Socialism.⁴

However the emergence of a fundamentalist Individualism, which was doctrinally close to Individualist anarchism, in the early 1880s was a largely novel phenomenon; whilst the term 'Individualism' was supposedly a neologism of the early 1880s, introduced by a member of the Liberty and Property Defence League. The endless contemporary accusation and denial that 'Political Economy' was based on a laissez-faire social philosophy should not blind us to the fact that Spencer was probably the first liberal thinker to

³ W.S.McKechnie, *State and Individual*, pp.214-15.

⁴ *Liberty Review*, January 1902, p.10.

defend the ideal of the minimal state with any degree of philosophical rigour and sophistication in the 1860s and 1870s, supposedly the time when 'laissez-faire' was losing whatever credibility it had possessed. Socialism drew out a quasi-Utopian strand in classical liberal thought, which could only be entertained at a time of ideological crisis.⁵

Individualism was thus understood as a distinctive form of classical liberalism in a particular historical situation. Furthermore there was a diversity of interpretation about the identity of this ideology, with different thinkers emphasising particular aspects of classical liberalism. The more moderate versions of Individualism which tried to accommodate varying degrees of state intervention in the economy, either to correct market failure or to enforce minimum welfare rights, were invariably inarticulate, though there were notable exceptions such as Henry Sidgwick who provided a considered and coherent defence of a modified Individualism.

The most straightforwardly conservative of Individualists were those classical liberals, such as Lecky, Goldwin Smith, Dicey, Maine and politicians like Goschen and the Earl of Pembroke, who were or used to be Whigs or Moderate Liberals, and had moved towards the Conservative Party in the 1880s. This school of thought emphasised a traditional constitutional libertarianism, which could trace a lineage back to the early nineteenth century.⁶ Arthur Bruce Smith, another such conservative liberal, saw their political role in the following terms:

⁵ Cf. Sidney Webb's mischievous remark: "(T)o-day it is the Individualist who is offering us a utopia...whilst the socialist occupies the superior position of calling only for the conscious and explicit adoption and extension of the principle of social organisation." *Socialism and Individualism*, (1908), pp.110-111.

⁶ The grouping together of these figures involves a degree of vulgarisation; Maine and Lecky were for example more consistently conservative liberals than Dicey and Smith, who saw themselves as the successors of the Philosophic Radicals. Christopher Harvie, *The Lights of Liberalism*, (1976) offers an illuminating account of the shift to the Right by this generation of

(T)he *aggressive* function of Liberalism has been exhausted, and, with certain minor exceptions, it only remains for it to *guard over* the equal liberty of citizens generally with a view to their *preservation*. This I regard as the proper function of Liberalism in the present day.⁷

Although such conservative liberals eschewed an extreme anti-statism, in practice their hostility to any specific interventionist proposal, made them more sympathetic to the fundamentalists than to moderates like Sidgwick.⁸

A contemporary observer of Individualism thus noted:

The term *Individualist*, as used in social science, has been defined as the theory of governance which favours the non interference of the State ...it is however more commonly used....for the *tendency* to oppose state interference...rather than for any cut-and-dried theory of the function or lack of function of the State.⁹

Conservative liberals were also the most enthusiastic proponents of the thesis that 'Socialism' had necessitated the political and ideological convergence between Conservatism and classical liberalism. The Conservatives provided the political organisation and the liberals the doctrines for the new Anti-Socialist alliance, in other words, classical liberal doctrines would benefit from the political protection of a Conservative shell.

Edward Dicey, a disaffected Liberal, contended:

The plain truth is that the Liberal Party...has well-nigh fulfilled its mission. All the important political reforms consistent with the existing political and social institutions of the country have been accomplished...If the fundamental institutions of the country are to be secured against attack, if individual liberty and the rights of property are to be protected in the future against encroachments of Socialism, it must be by the concerted action of Conservatives and Liberals.¹⁰

intellectuals in the late nineteenth century; see also J.Roach, "Liberalism and the Victorian Intelligentsia" *Camb.Hist.Jnl.*, 13, 1957, pp.58-81.

⁷ A.Bruce Smith, *Liberty and Liberalism*, (1887), p.11.

⁸ See for example Goldwin Smith, "The Manchester School" *CR* 67, March 1895, p.372: "What is Individualism against which there is now such an outcry? Does it mean self-exertion and self reliance, or does it mean selfish isolation. If the latter, I repeat, it was never preached or practised by the Manchester School."

⁹ Entry for "Individualism", W.D.P.Bliss, *The Encyclopaedia of Social Reform*, Vol 1, (New York, 1908) p.608.

¹⁰ Edward Dicey, "The Unionist Vote" *NC* 113, July 1886, p.12.

Some Individualists tried to facilitate this political reconciliation by arguing that mid-Victorian Conservatives had shared the same libertarian views as their Liberal counterparts, and hence 'Unionism' was merely the explicit recognition of this underlying consensus.¹¹ Anti-Individualists noted the irony of a situation where Conservatives became the upholders of formerly Radical principles, such as 'natural rights.'¹² This identification of Individualism with Conservatism was generally rejected by the fundamentalist Individualists, whose residual suspicion of Tory statism remained undiminished. Spencer's diatribes against 'socialistic legislation as a 'New Toryism' are well known, and similar attacks on 'Tory Democracy' were common in the Individualist press.¹³ This 'anti-Conservatism,' although somewhat disingenuous, raised considerable problems for the political viability of Individualist Anti-Socialism. But perhaps the most awkward problem for the fundamentalists was their recognition of the intimate connection between democratisation and state intervention, which appeared to force them into inevitably reactionary positions, in contrast to the populist appeal that libertarian beliefs had enjoyed in the early nineteenth century in the struggle against 'Old Corruption'. The pessimism and confusion engendered by political change was perfectly exemplified by Spencer's growing conservatism in the decades after 1867. The

¹¹ This was argued for example by A.V.Dicey, *Law and Public Opinion*, (1914), pp.xxviii/xxix.

¹² See for example Ernest Barker's comments: "It was the Tory Party that had changed, or at any rate seemed to change from the champion of paternalism against all manner of dissenters to the champion of individualism against all manner of Socialists." *Political Thought in England 1848-1914*, (1915), p.128. I deal with the phenomenon of 'Individualist Conservatism' in Chapter Three.

¹³ Spencer could thus write without any sense of self-deception; "In our day Toryism and Liberalism have become confused, and the line between them has to be drawn afresh. Toryism stands for the coercive power of the state versus the freedom of the individual, whereas liberalism stands for the freedom of the individual versus the power of the state." Spencer to W.C.Crofts, Dec.1881, reprinted in D.Duncan ed., *The Life and Letters of Herbert Spencer*, (1908), p.224

emancipatory promise of the Individualist project was thus postponed to the distant future, whilst the immediate political priority was to secure 'Property' against the ravages of 'socialistic legislation.'

Individualism thus represented a reworking of 'classical' liberalism; this latter variant of liberalism was not described in such terms by contemporaries, as it only gained currency and meaning in opposition to newer forms of welfarist and egalitarian liberalism. Perhaps unsurprisingly it has been subjected to a degree of caricature by its supporters and opponents, acquiring a trans-historical doctrinal purpose which in reality it lacked. Nevertheless a looser tradition of this liberalism can be identified, and is usually traced from the Scottish Enlightenment thinkers, through to the Nineteenth century Philosophic Radicals and later the Individualists, and ending with the 'libertarians' of our own day.¹⁴ The core doctrine of classical liberalism is usually understood to be the maximisation of equal liberty in society, a principle which can be founded on a variety of philosophical positions. Typically it involves a commitment to a minimal state, which is charged with the protection of 'negative' rights connected with the equal liberty principle, although intervention is sometimes countenanced to correct market failure, and occasionally to provide some 'positive' rights (e.g aid in obtaining legal representation). In terms of distributive justice, classical liberalism upholds a procedural form of justice, setting a legal framework for competition, but eschewing any attempt to impose particular distributive outcomes. Thus 'freedom of contract' and the 'rule of law' are seen as the most important underpinnings of the social order, and the market forming the most important type of social relationship; underlying these beliefs is invariably a commitment to

¹⁴ There are useful accounts of classical liberal doctrines in Norman Barry, *On Classical Liberalism and Libertarianism*, (1986) and F.A.Hayek, "Individualism: True and False" in *Individualism and Economic Order*, (1949), pp.1-32.

methodological individualism. Classical liberals deny that this undermines social institutions, arguing that institutions like the market, law, and money emerge through spontaneous coordination, whereby functional rules and procedures are best discovered and implemented by the decentralised activities of numberless individuals. This argument usually forms the basis of their critique of 'planning', which is founded on the fallacy that a central authority could possess sufficient information to improve on the 'free' decisions of dispersed but cooperating individuals; variations of the 'spontaneous order' thesis can be seen in the ideas of such diverse thinkers as Smith, Spencer and Hayek.¹⁵

The above survey summarises the main doctrines of the Individualists, but this must be fleshed out with a more contextualised sketch of their main beliefs and concerns. One of these main concerns was the threat posed by the Neo-Radicals and later the New Liberals in their reinterpretation of 'liberalism.' Hence much Individualist Anti-Socialism was an indirect attack, part of an attempt to discredit the ideas of the Liberal Left by testing them against a very narrow and stringent conception of liberalism; an effort which clearly failed.¹⁶ As has been argued, this strategy involved an attempt to create a mythical mid-Victorian Golden Age of Liberalism, so described as to make the Individualists its true guardians (conveniently ignoring the interventionist possibilities of Benthamite utilitarianism). Thomas Mackay, a leading ideologue of the Charity Organisation Society and one of the most prolific Individualist writers, gave a particularly idealised view of this period, which is worth quoting to show how Individualists perceived their dilemma:

¹⁵ For an account of this idea see Ellen Frankel Paul, "Liberalism, Unintended Orders and Evolutionism" *Pol.Studies*, 36, 1988, pp.251-72.

¹⁶ As Beatrice Webb pointed out; "The outraged survivors of philosophic Radicalism were far more eager to drive the Gladstonians back into the rear trenches of....political economy than to stop the advance scouts...of the socialists." *My Apprenticeship*, (Harmondsworth 1971), p.198.

(T)he years between 1832 and 1866 were the only period in English history during which philosophical principles were allowed an important, we cannot say a paramount, *authority* over legislation. The characteristic features of the period were a determination to abolish the privileges of the few, which, however, involved no desire to embark on the impossible and inequitable task of creating privileges for the many...Rightly understood the political philosophy of that time, put forward by competent statesmen, who were trusted by the democracy, proclaimed the principle of liberty and free exchange as the true solvents of the economic problems of the day. This policy remained in force during the ministry of Sir R.Peel, and lasted down to the time of the great budgets of Mr. Gladstone.¹⁷

This settlement had been destroyed by post-1867 'democracy' which had brought in its trail, first, caucus politics and then as a natural consequence, 'Socialism'. Rather than attempt the difficult task of constructing a new society, 'Socialists' had wisely preferred the parasitic activity of gradually extending the power of the State, supposedly on behalf of the working classes, by vastly increasing regulation and taxation. This had undermined one of the key foundations of liberty -- 'freedom of contract.' It is only by understanding the Individualists' interpretation of this idea that one can explain the vehemence of the Individualist reaction to Liberal legislation in the early 1880s. The normative significance of contract as the main form of substantive interaction between mankind, as well as its success in promoting economic coordination had acquired immense force by this period; as Sidgwick put it: "Contract is the main link by which the complex system of cooperation that characterises a modern civilised society is knit together."¹⁸ The contractual paradigm envisaged a society which acquired the habit of rule-following for mutual benefit, without the direct intervention of the state, which was not only coercive and also profoundly ignorant of the exact conditions of social life. The decentralised and indirect

¹⁷ T.Mackay, "Introduction" to E.Faguet, *The Cult of Incompetence*, (1911), p.18, see also Lecky, *Democracy and Liberty*, Vol.1, p.18. D.G.Ritchie detected three strands of anti-statist opinion; the 'Whig' (constitutional freedom), the 'Radical' (economic freedom), and the 'patriotic' (hostility to 'Continental' bureaucracy); Ritchie, *Principles of State Interference*, (1891), pp.8-9.

¹⁸ Sidgwick, *The Elements of Politics*, (2nd ed. 1897), p.59.

coordination of contract was thus preferable to the crude engineering of 'legislation.'¹⁹

This leads us into the sphere of Victorian jurisprudence, an area unjustifiably ignored by historians of the Collectivist-Individualist debate given the inherent 'legalism' of classical liberalism. Although many historians are now justifiably sceptical of the hold that 'laissez-faire' ideas had over the minds of Victorian legislators, it seems possible to make out a stronger case for the lawyers. Atiyah's study of the history of 'freedom of contract' has revealed the deep Individualism of many in the legal profession, which persisted long into a supposedly 'Collectivist' age, and many senior judges were active in the LPDL.²⁰ The prevailing interpretation of free contract was an extremely formalistic conception of the executory contract, where the role of the judge was reduced to the passive interpretation of procedures underlying a contract rather than applying any 'public policy' judgments. This theory was a critical legal support for any conception of 'equal freedom,' and hence legislative moves against the legal fiction of equal bargaining in such measures as Irish land reform and the Workmen's Compensation Act were the initial starting point for the Individualist reaction, a fact which explains their unusually doctrinaire stance from the very beginning of the 'Socialist' debate.²¹ The Individualist paradigm of a society based on freely contracting individuals came in for severe criticism from all shades of progressive opinion. The apparent amorality of the ideal was countered by the claim that the market exercised

¹⁹ Cf. W.Donisthorpe, *Individualism*, p.74, on the necessity of spontaneously-generated rules as the basis of the Individualist society.

²⁰ E.g. the Law Lords, Bramwell and Penzance.

²¹ See Atiyah, *Rise and Fall of Freedom of Contract*, for details of this jurisprudence. T.H.Green of course noted the ideological centrality of freedom of contract to Individualists in his famous lecture, "Liberal Legislation and Freedom of Contract" (1881) in T.H.Green, *Lectures on the Principles of Political Obligation and Other Writings*, Edited by P.Harris and J.Morrow, (Camb.1986), esp.p.209.

a heuristic as well as an efficiency function; not only was it a genuinely non-coercive social institution, but it also developed social and moral characteristics which benefited society as a whole; as Herbert put it:

The free and open market is the one system that does most justice amongst the individuals, being the only impartial institution that exists, and at the same time is the only system that gives evolutionary forces free play. As regards the individual, he who most desires (something), and makes the most effort to get it, and is most fitted to manage it, gets it and keeps it under this system; whilst as regards the future, it is the only system which allows new conditions to arise freely and without violence.²²

At the same time Individualists accepted that the market was a viable institution only when underpinned by a complex nexus of moral and cultural constraints. It is in such arguments of course that the Victorian discourse on 'character' acquired a significance which grew in proportion to the threat posed by 'Socialism'. 'Character' as a normative concept was part of a common currency of both Right and Left, but it was with the Individualists that it reached its apotheosis in political discourse. For the Victorians it was moral safeguard for a society still coming to terms with unparalleled degrees of freedom.²³ This could involve simply emphasising Mid-Victorian homilies on self-help, and to some extent Individualists introduced it to emphasise that their conception of freedom did encompass a notion of individual 'autonomy.'²⁴ But its more characteristic usage was to bolster the socio-biological theories of Individualism, which reacted against the perceived 'environmentalism' of Socialist ideology. Individualist

²² Herbert in J.H.Levy, ed., *Symposium on the Land Question*, (1892), p.6.

²³ See the interesting remarks of Paul Smith, "Liberalism as Authority and Discipline" *HJ* 32.3 1989, p.723, on the underlying belief in self-limiting individual liberty in commonsense Victorian Liberalism: "Freedom not to do as you pleased but to become what you could be, or even what you were, developmental rather than anarchic, designed to enlarge and enrich society, not to disintegrate it into competing atoms, formed a necessary liberal goal. Even economic individualism was a search for the mechanism of a *social* benefit not the advocacy of a Hobbesian state of war, its working required not just the indispensable leviathan of the law...but a highly developed framework and culture of cooperation and order."

²⁴ This is not to say however that their theory of freedom was a 'positive' one in the sense of modern understandings of the term.

conceptions of self-development, derived from their theories of liberty, laid very great stress on the individual's ability to discover and transfer between generations new and socially valuable information, on the other hand a corresponding failure of adaptation pointed to the individual's obsolescence. Socialists were attacked for ignoring the harsh facts of Malthusian doctrine, with their belief that human numbers could be expanded without regard to the burdens placed on the State in meeting their needs.²⁵ This teleological theory of liberty was bolstered by a variety of psychological theories and 'Social Darwinist' metaphors, but the underlying idea was straightforward:

(Individualists) argue for the state to interfere with the actions of individuals weakens character. It is far better...for men to carve their own way, to live their own lives, to learn by experience their own lessons, even if they make continual blunders, than for the State to be interfering; even if, so far as the immediate step is concerned it interferes wisely, because the latter course will weaken the individual will and lessen individual activity.²⁶

Individualists thus claimed to have the long term interests of the working classes at heart in opposing social reforms -- ill-judged eleemosynary legislation would weaken the heuristic value of liberty in promoting individual autonomy and social efficiency.²⁷ Thomas Mackay was one of many who saw a moralised Lamarckianism as a key tenet of Individualism:

The salient distinction between the Socialist and the Individualist theory of life...may here be stated. By Individualism is meant the rule of conduct which obliges each individual man to adapt his instincts, habits and character to his surroundings. The surroundings in a civilised and associated life are governed by economic laws, which though not of

²⁵ Cf. Edwin Cannan, "The Malthusian Anti-Socialist argument." *Ec.Rev.*2, Jan.1892, pp.71-87 for the claim that Individualists were essentially Malthusians.

²⁶ Bliss, ed., *Encyclopaedia of Social Reform*, vol.1 p.609. The main reference point for 'character' is Collini, "The Idea of Character", but Taylor, "Paradise Lost of Liberalism" has the best account of the psychological theories which underpinned the Individualist understanding of 'character.'

²⁷ Donisthorpe, *Socialism Analysed*, (1888), p.14: "The Socialist...has no faith in...individualist evolution, or is too impatient to wait for it, and he proposes to effect a sort of artificial evolution on lines laid down by the majority in council assembled."

inflexible rigidity, are yet more permanent upon character. They are indeed the environment in reference to which human character must be formed. The definition assumes that man has an inherited capacity for this course of action, a capacity which can be developed by use and transferred with ever-growing regularity to successive generations. This to Individualists is Nature's Covenant of Progress.²⁸

The conservative implications of the Individualist conception of socio-biological evolution were thus transparent. The stress on the historical construction of character, through the formation of 'faculties,' corresponding to particular social and economic environments subverted reformist aspirations of direct alterations in human character (a belief of both Philosophic Radicalism and the New Liberalism), as well as the more ambitious environmental constructivism of Socialist ideology. This caution reflected a conservative conviction in human ignorance and limited sympathy, overlaid by an increasingly fragile belief in the inevitability of human progress in conditions of liberty.²⁹ As one perceptive critic noted:

Most Individualists...are more modest in their expectations and less impatient of delay. Their enthusiasm for the curative power of nature -- acting through 'laws of evolution', 'survival of the fittest', 'supply and demand', or what not -- is allayed by the knowledge that the operation requires a long expanse of time... 'slow but sure' is their motto.³⁰

The resulting forms of evolutionary relativism, apparently suggesting that right could be distributed differentially supported a conception of social organicism which was close, at least on a superficial level, to existing conservative ideas.³¹ Thus an Individualist like Wordsworth Donisthorpe

²⁸ T. Mackay, *The English Poor*, (1889), p.vi.

²⁹ The 'historicism' of Individualism, the attempt to ground the theory on some form of historical sociology, may be a possible explanation of the neglect of Mill particularly his *On Liberty*, by the Individualists. Auberon Herbert, probably the least 'historicist' of the Individualists, contended "Mr Mill was an earnest and eloquent advocate of individual liberty...But Mr Spencer has approached the subject from a more comprehensive point of view than Mr Mill, and has laid foundations on which...the whole structure must be laid.." *Right and Wrong of Compulsion by the State, and other essays* (Indianapolis 1978), p.123.

³⁰ McKechnie, *State and Individual*, p.216.

³¹ Individualist views of the social organism did however vary considerably; see Taylor "Paradise Lost of Liberalism," Chapter Four.

could sound Burkean in his claim that the extent of liberty was relative to historical situation and degree of culture:

(E)ven the most impatient reformers now recognise the fact that a State is an organism and not an artificial structure to be pulled to pieces and put together again on a new model whenever it pleases the effective majority to do so. Advice which is good to a philosopher may be bad to a savage and worse to an ape.³²

However the relativism of the Individualists was clearly subordinate to their developmentalist social and ethical theories. History pointed in the direction of the anarchical society, which, although slow in emerging, was still a utopian construct. Individualists claimed that the gradual perfection of the rules and laws of the free society (which would remain in existence because of ineradicable egoism), would offer greater possibilities for altruism. Donisthorpe argued that the antagonism between egoism and altruism in the anarchical society was thus more apparent than real, pointing to:

(T)he double origin of what is popularly called justice. One is socialism, the other is individualism. The one is based originally on parental sympathy which expands from the family to humanity, the other is based on selfish compromise and tends finally to absorb the whole field of law. Altruism tends to become wholly voluntary and law to become wholly based on individual advantage and implied voluntary contract...we are approaching a state in which law, based on the right of the selfish, will be tempered not by a partial despotism and compulsory charity...but by voluntary altruism.³³

Individualists therefore denied that the antithesis between Socialism and Individualism was synonymous with that between egoism and altruism.³⁴ Underlying these assertions was their fear of being misrepresented as being in favour of the 'commodification' of all social exchanges, extending the price mechanism into areas previously reserved for charity -- a possible, though

³² W. Donisthorpe, *Law in A Free State*, (1895), p.64. Cf. Smith. *Liberty and Liberalism*, p.211: "A government should, no doubt, aim at the *ultimate* as well as the *immediate* happiness of the *whole* people."

³³ Donisthorpe, *Individualism*, p.282.

³⁴ See for example Egmont Hake, "The Coming Individualism" in *Transactions of the National Liberal Club Political Economy Circle*, vol.3, 1901, p.5, and J. Levy, *Socialism and Individualism*, (1904), p.150.

not a necessary deduction from their fundamental principles. In attacking the 'materialism' of socialist ideals Individualists were keen to avoid being labelled market 'imperialists' -- and hence deferred to the moral imperatives found in a more reformist mainstream liberalism.

These convictions raised important questions about Individualism's relationship with the traditional ideologies of conservatism and liberalism. Not only did the increasing conservatism of leading Individualists leave them vulnerable to critics within their own ranks, who criticised their belief that the existing market economy had produced the best possible political and social relations, but it imposed such rigid ideological constraints on political action as to render them ineffective in political conflicts with 'Socialism'. This was clearly demonstrated by the instinctual dislike of 'politics' entertained by many Individualists. The success or failure of 'Individualism' could be tested not so much in gathering together the faithful of conservative Liberalism, as by reestablishing their reformist credentials, by initiating non-Collectivist social and political reforms with which to fight 'Socialism.' Instead Individualism retreated into a ghetto of pristine doctrine, deliberately divorced from the sphere of practical politics. In the next section I shall examine varying Individualist responses to the problem of Socialism, and how individual thinkers attempted to explain Individualism's retreat from radicalism in the face of Collectivism, given the latter's status as a regressive ideology.

(II) Individualists against Socialism.

(i) Spencer.

Spencer needs little introduction as an Individualist thinker and given the large number of recent studies on various aspects of his thought I shall

not discuss his main 'positive' achievement, the system of Synthetic Philosophy, except in so far as it illuminates his criticism of Socialist ideas.³⁵ This is relatively little given the supreme intellectual self-confidence with which Spencer constructed his system. To a certain extent this was understandable, Spencer had virtually completed the Synthetic Philosophy before the Socialist 'revival' of the 1880s, and in any case his mind was never particularly open to new ideas and influences. Instead he condemned 'Socialism' in a peculiarly defensive and perturbed manner -- it raised questions about the continued progress of society in the direction he had recommended, especially as it appeared a much more formidable rival than other temporary regressions, such as 'militarism' or 'over-regulation'.

Spencer's reluctance fully to engage the Socialist challenge derived not only from personal factors, but more importantly perhaps from the constraints imposed on his thought by approaching it with a somewhat restrictive sociological model. In particular his peculiarly determinist philosophy of history, tracing a linear progress from 'militant' to 'industrial' societies, and aiming to prove the irreversibility of the move from feudal to capitalist societies, seemed increasingly outmoded in attempting to explain ideological innovations whether from within liberalism or from socialism within this framework. Putting aside value judgements of Spencer's enterprise it is possible to accept that his critique of 'Socialism' is consistent with his theory of history. What is much more doubtful is his understanding of the diversity of ideas, which contemporaries collected together as

³⁵ Spencer studies have enjoyed something of a revival in recent years; the best overall survey of his thought is Taylor "Paradise Lost of Liberalism"; see also John Gray, "Spencer on the Ethics of Liberty and the Limits of State Interference" *Hist.Pol.Thought* 3.3, Nov. 1982, pp.465-81; T.S.Gray, "Herbert Spencer: Individualist or Organicist?" *Political Studies* 33, 1985, pp.236-53; David Weinstein, "Equal Freedom, Rights and Utility in Spencer's Moral Philosophy" *Ibid.* 9.1, 1990, pp.119-42; Ellen Frankel Paul, "Herbert Spencer: The Historicist as Failed Prophet" *Jnl. Hist Ideas* 64, 1983, pp.619-38; also the exchange between Paul and Michael Taylor in *Political Studies* 37, 1989, "The Errors of an Evolutionist" pp.436-48.

'Socialism.' Spencer was notorious for conflating practically all proposals for regulation and modification of a market economy as 'socialistic'. The conceptual rigidity of his normative sociology was criticised by McKechnie in this respect:

Mr Spencer...is not sufficiently explicit as to the enemy he attacks under the names of 'over-government', 'Socialism', 'corporate action', and 'compulsory cooperation'. He is not content with making temperate and specific charges against definite agents, but confuses the issues by launching his thunderbolts at all the structures and organisations represented by our present system of polity.³⁶

This had been particularly evident in *The Man versus the State*, probably Spencer's most famous polemical work and the one usually taken by historians to epitomise late Victorian Anti-Socialist argument. In fact 'Socialism' as a distinctive socio-economic theory is of little importance in the discussion, the main force of the argument being directed towards the unholy alliance between the regulatory State and the demands placed on it by an ignorant electorate. The argument is thus in many ways closer to the anti-democratic polemics of Maine and Stephen, and which formed the dominant mode of conservative criticism before 'Socialism' gave an new perspective to the problem of mass politics. Spencer is able to offer insights of his own to the problem of State interference, particularly in regard to its perverse unintended consequences on social progress, but most of his criticisms draw heavily on the Synthetic Philosophy.

Briefly Spencer's political philosophy can be sketched as one of 'ideal rule' utilitarianism, where happiness is mediated through the 'rule' of equal freedom.³⁷ This 'rational' utilitarianism is to be preferred to 'empirical' versions (such as Bentham's) because of its more modest obligations to

³⁶ McKechnie, *State and Individual*, p.255.

³⁷ Spencer notes the contrast of his conception of rights from the 'deontological' version of Kant; see *The Principles of Ethics*, vol.2, (1897) appendix A, "The Kantian idea of rights" pp.437-9, because Kant's conception of rights is independent of any utilitarian considerations.

promote happiness indirectly, and is thus able to respect rights and to avoid malign unintended consequences from over-ambitious projects.³⁸ The resulting principle of equal freedom, that "every man has freedom to do all that he wills, provided that he infringes not the equal freedom of any other man", yielded the main principle of justice. The role of the state is thus one of a justice-enforcing association, charged only with the protection of equal rights, though as Spencer often pointed out this meant it had a considerable role to play (Spencer was a strong critic of the Victorian State's failure to offer cheap and easy access to justice for those classes exploited by the violation of their rights). The State and the individual thus fulfil their obligations by respecting a person's protected sphere in which interests could be pursued. Spencer's liberalism was not only original in the stringency of its side constraints in this respect; what was novel was the dynamic and teleological redirection of his ethical theory within the broader framework of the naturalist and evolutionary theory of the Synthetic Philosophy (Spencer's theory of the cosmos attempting to show that the same laws of progress and development operate in all types of phenomena). Spencer's social theory thus attempted to underpin his argument for the individualist Utopia by showing a movement of societies (in common with natural phenomena) from simple, undifferentiated masses to complex, differentiated bodies, centred on the individual unit. This led to an idiosyncratic version of the organicist paradigm, with societies bound together 'organically' by the complex coordination of the parts, but with the claim that this did not require the centralised and conscious coordination provided by a 'brain' or

³⁸ Spencer traced the 'constructivist' propensities of 'empirical' utilitarianism to the radicalism of the French revolutionaries; see *The Man versus the State*, (Indianapolis 1981), p.165.

central sensorium.³⁹ It was on this point that Spencer was most heavily criticised by New Liberals and Socialists.⁴⁰

The most controversial part of Spencer's social theory however was the development of individual and societal efficiency implied by the process of differentiation. It was at this point that Spencer introduced his biological theories of environmental adaptation (Spencer's approach involved a complicated interaction of Lamarckian and Darwinist theories which I shall not pursue here), and thereby bolstered the seemingly egalitarian 'Law' of Equal Freedom, with a much more inegalitarian and relativist efficiency principle. The ability of the individual to successfully (or not) adapt himself to a changing social or natural environment was given normative considerations by incorporation into the theory of justice, with the Law of Conduct and Consequence acting as an important supplementary principle to the Law of Equal Freedom. It is however indisputable that Spencer believed that individuals should be left to reap the natural consequences of their actions even if they acted in conditions of remediable ignorance; to this extent there is a genuine commendation of social struggle in Spencerian sociology. 'Welfare' in the sense understood by 'Socialists' not only violated individual rights but undermined social progress.

'Socialism' thus represented a retreat to a more primitive form of 'militant' society characterised by a less differentiated social organism, where coordination was achieved by a crude central sensorium -- the state.

³⁹ Spencer argues that there is a strong parallelism of structure between an animal organism and a society; in the higher organic types there and most developed societies there are multiple and specialised regulative systems -- the organs in contact with the environment require the most rigorous central control (i.e defence from aggression) whilst the internal functions are performed most effectively by the decentralised activities of specialised organs (e.g Spencer notes the parallel structure of a market and the digestive system).

⁴⁰ For a characteristic critique see Ritchie, "Mr Spencer's Individualism" in *Principles of State Interference*, pp.1-50.

The revival of dependence was thus achieved by the subversion of free contract, the main derivative from the Law of Equal Freedom. Thus Spencer argued "(r)educed to its ultimate form, the general question at issue between socialists and anti-socialists concerns the mode of regulating labour."⁴¹ In other words democratic societies faced a choice between the continued perfection of Contract or the reversion to a status regime which would not ultimately be any less coercive in the long run merely because it had a popular sanction, "(h)ence the socialist theory and practice are normal in the militant type of society, and cease to be normal as fast as society becomes predominantly industrial in its type."⁴²

In contrast to previous militant societies however socialist ones would not enjoy functional social relationships, because the external conditions necessary for such societies had disappeared ('militant' societies as their name suggests are essentially societies geared to war). With the loss of functional relationships of the market, the connection between actions and consequences would be lost, and the selection of the 'fittest' members of society would no longer operate. The socialist project was analogous to that of the family, with distribution being organised according to need rather than desert or entitlement, but unlike the family society as a whole lacked the necessary 'selfishness' to make efficient strategic decisions in competition with others. Spencer thus contended that Socialism was founded on a basic mental contradiction on the question of altruism-egoism:

The character of all is to be so noble that it causes continuous sacrifice of self to others, and so ignoble that it continuously lets others sacrifice to itself. These traits are contradictory. The implied mental constitution is an impossible one.⁴³

⁴¹ H.Spencer, *The Principles of Sociology*, vol.3, (1896), p.576.

⁴² *Ibid.* p.567.

⁴³ *Ibid.* pp.572-3, Spencer argued that it was the compulsory aspect of Socialist welfare which made it inferior to private charity; i.e. its unwillingness to allow individualistic determinations of such aid, which were less likely to undermine overall efficiency.

This being so, the loss of efficiency caused by the extension of eleemosynary aid would eventually require the return of arbitrary rule. Socialism as a form of militant society, which was its only means of social coherence would have to follow the authoritarian logic of its organisation, which was a militarised society. He insisted:

Under such conditions there would be an increasing deduction from the aggregate produce by the new ruling classes, a widening separation of them from the ruled...there must arise a new aristocracy for the support of which the masses would toil, and which, being consolidated, would wield a power far beyond that of any past aristocracy.⁴⁴

Spencer never really elaborated on this argument of the inevitable authoritarianism of Socialism, nor is it clear why members of such a society must necessarily be "aggressive egoists"; a more plausible reading of his theory would see Socialism as a temporary aberration of extreme inefficiency and anarchy, neither a true militant or industrial society.

There was a further problem with Spencer's account of Socialism in that it gravely complicated the Individualist strategy on a much more mundane level. Spencer's ability to explain the *political* consequences for Individualism of the regression to Socialism is rather weak; how is the individualistic momentum of social progress to be reactivated? How long will the Socialist phase last? If the experience of Socialism does not have a heuristic value for the masses, it is not clear how a society based on contract can be restored. This question is by-passed in Spencer's discussion of the 'rhythmical' perversities of progress; as he explained:

On recognising the universality of rhythm, it becomes clear that it was absurd to suppose that the great relaxation of restraints -- political, social, commercial -- which culminated in free trade would continue. A re-imposition of restraints, if not of the same kind then of other kinds, was inevitable, and it is now manifest whereas during a long period there had been an advance from involuntary cooperation in social affairs...there has now commenced a reversal of that process. Contract is in all directions being weakened and broken; and we are on the way back to that

⁴⁴ *Ibid.* pp.577-8.

involuntary cooperation, or system of status..a new tyranny leading to new resistances and emancipations.⁴⁵

This apparent fatalism coincided with Spencer's well-known rightward shift in his later years, on such topics as the franchise, women's rights and the public ownership of land. Although Spencer never became a Conservative in any meaningful sense, his opinions on these important issues seemed identical for many of his more radical supporters. Although the Synthetic Philosophy could accommodate these changes of emphasis through Spencer's vital distinction between Absolute and Relative Ethics, but in terms of constructive proposals to counter 'Socialism'. Indeed he offered little hope for a successful Individualist reaction in the near future: "The momentum of social change like every other momentum, must work out its effects proportionate to its amount, minus the resistance offered to it; and in this case there is little resistance."⁴⁶ Not all his fellow Individualists were so gloomy however.

(ii) The Radical Individualists.

In 1885 Henry Sidgwick observed that "Individualism of the extreme kind has clearly had its day."⁴⁷ Sidgwick was referring to the ideologues of the LPDL, who in his opinion were discrediting the resistance to Socialism with their outmoded dogmatism. This view was shared by many other, less doctrinally articulate conservative liberals, who believed that the best hope for 'Individualism' was to merge its doctrines with those of moderate

⁴⁵ H.Spencer, *Autobiography*, (1904), vol.2 p.369. He traced the beginnings of the problem especially to the 1867 Reform Act, having previously been a strong supporter of extending the franchise, *ibid.* p.366. Spencer described contemporary British society as "semi-militant, semi-industrial" *The Man versus the State*, p.167.

⁴⁶ *Principles of Sociology*, p.595. Spencer saw the extension of cooperative production as a possible candidate, but believed it would only offer a "feeble check".

⁴⁷ E.M.S(idgwick) and A.S(idgwick), *Henry Sidgwick: A Memoir*, (1904) p.399.

Conservatism. They had a point; even Conservatives began to look askance at such bodies as the LPDL, and most 'Individualists' preferred to concentrate on attacking Socialism rather than offer positive alternatives. There were inevitably exceptions. One wing of the Individualist movement was encouraged to redefine its ideas *after* Socialism had become an important issue.

Some Individualists embraced a fundamentalist version of their doctrine, which was practically identical with Individualist anarchism, as the only means of combining opposition to Socialism and maintaining the emancipatory promise of this ideology. They challenged the growing identification of Individualism with Conservatism, and emphasised that their role remained critical, attacking vested interests with all the vigour of mid-Victorian Radicalism. They thus saw themselves as the true inheritors of the liberalism of the Philosophic Radicals, Mill and the young Spencer in contrast to the opportunist, populist Radicalism which had gained ascendancy in the 1870s. There were two main ideological supports underlying this view; a strong commitment to natural rights theories (an ironic difference to the Philosophic Radicals and Mill), and secondly a continuing belief in Political Economy as a system of immutable natural laws, strongly opposing the revisionist attempt to stress the conventionalism of classical economic doctrine rather than its grounding in 'laws'. As J.H.Levy was to argue against moderate Individualists:

Principle is coming to be regarded as mere pedantry, 'Each case must be dealt with on its merits,' we are told with absurd iteration...This formula is really used to cabalistically push aside one particular method of judgment, namely that by deductions from fundamental morals. We seem to have come upon a time of utter infidelity to general principle.⁴⁸

The 'radicals' thus wanted to formulate a positive programme for Individualism to ensure that the Anti-Socialist stance did not act as a

⁴⁸ J.H.Levy, *The Outcome of Individualism*, (1892), p.18.

conservative caesura on the project for completing the minimal state. They claimed, with increasingly limited evidence, that theirs was a populist policy in tune with the traditional working class hostility to the state, vested interests and their support for free trade.⁴⁹ Thus attempts to hide 'Property' under the felicitous veil of Liberty were vigorously criticised; as Donisthorpe wrote referring to the LPDL: "the League is credited, justly or unjustly, with a lively respect for the liberty of the wolf to devour the lamb, and a cynical admission of the equal right of the lamb to devour the wolf."⁵⁰ This attitude was however to cause considerable problems for the Individualist; as with all such minority doctrines factionalism led inevitably to marginalisation, but of equal importance was the fact that despite the rhetoric of populism the identity of 'radical' Individualism remained predominantly 'bourgeois' in attitude and policy -- it was as suspicious of 'democracy' as the 'conservatives' and its understanding of the more 'communitarian' and mutualist aspects of working class Radicalism was defective, exemplified by its inflexible attachment to traditional Political Economy.

The 'radical' Individualists upheld a peculiarly formal and stringent version of 'liberalism,' which in the case of those like Herbert was clearly deontological in nature (i.e liberty was not justified in consequentialist terms, but as prior to any conception of the 'good') whilst others like Donisthorpe defended an equally fundamentalist version of Individualism with largely consequentialist arguments. But all versions shared the common claim that the State was only justified in so far as it protected

⁴⁹ For the reality of plebeian support for a free trade and low taxation regime see Eugenio Biagini, "Popular Liberalism, Gladstonian Finance and the debate on Taxation, 1860-1874" in E.Biagini and Alastair Reid, eds., *Currents of Radicalism*, (Camb.1991), pp.134-62.

⁵⁰ *Jus*, 23 March 1888, p.8, Donisthorpe noted in particular the League's support for tithe-owners, the City Corporation and refusal to agitate on the Contagious Diseases Act.

men's *negative* or *forbearance* rights, which in turn supported the overarching principle of equal freedom. Rights according to this doctrine possessed such moral weight that State interference was not legitimate even in the provision of public goods as usually understood. There was even division within the fundamentalist camp between those, like Levy and Donisthorpe, who maintained that justice could only be enforced by the compulsory powers of a State and those like Auberon Herbert, whose views were practically identical to those of individualist Anarchists, who recognised no subordination to any compulsory body, allowing instead for private bodies to compete in the enforcement of individual rights.⁵¹ (The fundamentalists always condemned 'anarchism', partly to avoid charges of guilt by association, but it appears that they essentially understood it in terms of the violent, Bakuninist tendency of the movement.)

The main difference between 'radical' Individualists like Auberon Herbert, Wordsworth Donisthorpe, J.H.Levy and Sir Roland Wilson, and the more conservative members of the LPDL and Spencer himself lay essentially in different perceptions of the political purpose served by the Individualist movement. The conservatives saw their role, obviously enough, in resisting 'Socialism' directly through Parliament and in local government, seeking alliances with sympathetic minds in the Conservative Party and with moderate Liberals. The 'radical' Individualists however believed that the equation of 'Socialism' and the 'New Toryism' was more than whimsical rhetoric, and asserted that only by retaining their emotional and political ties with the Liberal Party could the libertarian alternative to Socialism be consistently defended. They tended to concentrate on issues which played upon traditional plebeian radicalism's hostility to the state and its agencies

⁵¹ For Individualist Anarchism, a phenomenon mainly confined to the USA, see James Martin, *Men against the State* (Dekalb, Ill., 1953).

and beneficiaries.⁵² However by the early twentieth century the 'radicals' had practically ceased to have any political dialogue with mainstream Liberals.

The aspiration to realise the minimal state by *political* action, however the remote the prospect, was thus the basis of their anti-Socialism. Their criticisms of the 'Socialism' of the regulatory state, were similar to Spencer's, but these thinkers were more than his epigones. Whilst recognising his moral and intellectual inspiration, the fundamentalists had doubts about Spencer's political retreat from unpopular libertarian causes, such as female suffrage and land nationalisation, but they also worried about the historicist and apparently ethically relativist direction of the Synthetic philosophy. The fundamentalists preferred to defend Individualism through ahistorical, and formal political and ethical theories.⁵³ This formalism in political argumentation set them apart from the mainstream political debate, further persuading them of their purism. This was particularly evident in the thought of Auberon Herbert, who was probably the best-known of this group. He was an aristocratic ex-MP (Liberal), who devoted his life to being an 'anti-politician' and propagandist in the Individualist cause.⁵⁴ Herbert was in fact the Individualist who came closest to Anarchism, his idiosyncratic creed, 'Voluntaryism', rejecting the coercion required to establish a State. Instead he followed the Individualist

⁵² The 'radicals' were prominent in the Personal Rights Association, the original Individualist pressure group, which initially campaigned for the repeal of the draconian Contagious Diseases Act. However their activities extended into other areas where working class anti-statism was present, such as compulsory education and vaccination. In later years they acted as a 'left-wing' counterweight to the LPDL.

⁵³ This fact was noted by Roland Wilson, comparing Herbert and Spencer, *The Province of the State*, (1911), p.272. Levy's intellectual debts were to Mill rather than Spencer, see his comments in *The Individualist*, 28, December 1903, p.82.

⁵⁴ For biographical details see S.Hutchinson Harris, *Auberon Herbert: Crusader for Liberty*, (1943). Herbert dated his conversion to Individualism to a conversation with Spencer whilst still an MP, see his essay "Mr Spencer and the Great Machine" in *The Voluntaryist Creed*, (Oxford 1908).

anarchists in arguing that the enforcement of justice could be provided by voluntary agencies alone, but unlike them he maintained that one agency could rightfully achieve a position of monopoly provision of security, sustained by 'voluntary taxation'; both Individualists and Anarchists attacked the internal consistency for this argument.⁵⁵

Herbert's political and ethical theory identified a fundamental conflict between 'liberty' and 'force'; these terms were intended to be analytic and descriptive, but the normative element was dominant. The argument for liberty was drawn in ethical terms as the means to personal dignity and self-direction, and it was supported by foundational rights of self-ownership. These rights protected the individual from any illegitimate exercise of force by others, and were prior to the State; as Herbert argued:

(T)he rights of self ownership are...supreme moral rights, of higher rank than all other human interests or institutions; and therefore force may be employed on behalf of these rights, but not in opposition to them. All social and political arrangements, all employments of force, are subordinate to these universal rights, and must receive just such character and form as are required in the interest of these rights.⁵⁶

Though this argument seemed to justify the rights-enforcing duty of the State, Herbert was reluctant to accept the coercive implications of this situation, and hence his eccentric plans for voluntary donations to support state functions, in spite of the seemingly insuperable public goods problems of this plan.⁵⁷ Herbert deduced from these weighty rights of self-ownership a right to private property on conventional Lockean grounds, thus rejecting the arguments of land nationalists like Levy that this argument did not sufficiently guarantee the faculty-exercise by those lacking such resources.⁵⁸

⁵⁵ See Levy and Herbert, *Taxation and Anarchism* (1913), *passim*.

⁵⁶ Herbert, "A Voluntarist Appeal" in *Right and Wrong of Compulsion by the State*, p.317.

⁵⁷ Herbert, *Taxation and Anarchism*, p.3; "I deny that A and B can go to C and force him to form a State and extract from him certain payments and services...if you act in this manner, you at once justify State Socialism."

⁵⁸ For the argument for private property, see *The Right and Wrong of Compulsion by the State*, p.152.

'Socialism' in Herbert's eyes was merely the antithesis of liberty; in his schema it is practically deprived of substantive political and ethical content, and lacks even the sociological underpinnings identified by Spencer. 'Socialism' was any attempt to violate individual rights in pursuit of utilitarian ends, (and Socialists did not even necessarily need to be 'benign' consequentialists). 'Socialism' was a species of 'direct' force, which deprived an individual of something rightfully his, making him worse off, in contrast to the prevailing 'indirect' compulsion existing in situations and relationships permitted by the terms of free contract. As Herbert put it:

State socialism is the refusal to others and the abandonment for oneself of all true human rights. Under it a man would have no rights over his own property, over his own labour.....*in a word, either over himself, or all that reasonably belonged to him*, but he would have as his compensation...the one-tenth millionth share in the ownership of all his fellow men (including himself).⁵⁹

This view of Socialism raised few internal problems for Herbert, but at the expense of depriving his critique of explanatory content. The type of argument he was really concerned with was the justification of the State, rather than the State's relationship with various types of social power, and this question was one for the internal consumption of Individualist rather than Socialists.⁶⁰ Herbert followed the Individualist line of attacking Socialism as a political rather than economic category -- though he was also a bitter critic of the 'New Unionism'.⁶¹ But the fear of a democracy indifferent to individual rights could only be realistically opposed by constitutional changes. However given the austerity of the 'radicals'

⁵⁹ "The Principles of Voluntaryism" p.380.

⁶⁰ Hobson was one of Herbert's most effective left-wing critics see his "Rich Man's Anarchism" *The Humanitarian* 12, June 1898; he strongly criticised Herbert's ontological and methodological assumptions, maintaining "Mr Herbert's 'voluntary state,' is nothing else than a timid form of rich man's anarchism which exploits the philosophic doctrines of monadism for the defence of unsound forms of property.", *ibid.*, p.390.

⁶¹ See his essay, "The True Line of Deliverance" in *A Plea For Liberty*, pp.379-410.

conception of the State, even this possibility of an Individualist politics proved impossible.

(iii) The Political Economy of Individualism.

Both Spencer and Herbert had neglected economic arguments in their critique of Socialism, in marked contrast to the non-Individualist Anti-Socialists. One reason for this absence lay in the transparent simplicity of economic relations in their market paradigms; they felt no need to elaborate on problems of the market economy given the belief that its workings were regulated by practically immutable laws.⁶² The problems of market failure and public goods, which were discussed with increasing sophistication by neoclassical economists were thus ignored by the fundamentalists with their faith in the market's self-correcting mechanisms. The result was a disabling disjuncture between the belief in a utopian society of free exchange and a rejection of any attempt to improve the economic condition of the working classes. Some like Levy were able to combine a rigid adherence to Ricardian doctrines with a projection of a more egalitarian working of markets. The most optimistic projection of Individualist political economy rested on a belief that economic harmony would be realised as the comparative advantage of Capital over Labour began to disappear, giving labourers the opportunity to hire capital in their own interest.⁶³ The advantage of

⁶² Levy, *The Outcome of Individualism*, p.15; "(E)conomic laws are not products of human will or design, but permanent relations in the order of the phenomena of wealth." Cf. Lord Bramwell, *Economics and Socialism*, (LPDL 1888), pp.3-4.

⁶³ See Levy, *ibid.*, p.45: "Individualism would mean a great extension of parental prudence with a consequent increase of average produce per head...Rent would become a public fund and taxation would be very light. Loan interest would vanish, the national debt would cease to be a burden, and wages would be increased...the great inequality in wages would also tend to become less, as the increase of the higher abilities consequent on free competition would lessen the 'rent of ability'...I do not say inequalities would altogether become things of the past, but they would be much less in degree, they would correspond to degrees of worth."

pursuing this strategy was that it required minimal state interference, and did not compromise in any way the market economy.⁶⁴

This approach was most clearly demonstrated in the doctrines of the Free Exchange school of Individualism. This group adapted the economic ideas of the French liberal school of economics, which included such figures as Say, Dunoyer, Bastiat and Molinari. These thinkers were generally seen as much more hostile to state interference than the British classical economists, with the French upholding a providentialist belief in economic harmony not present in the British school. Furthermore the French school attacked the law-like relationship between production and distribution in Ricardian political economy, arguing instead for a more flexible, subjectivist account based on a service theory of value (which had some similarities with marginal utility theory).⁶⁵ This school attracted very few followers in Britain, but they included Sir Louis Mallet, the Cobdenite civil servant who played a major role in the Free Trade treaties with France, St.Loe Strachey, anti-Socialist editor of the *Spectator*, and Thomas Mackay, a leading Charity Organisation Society (henceforth COS) activist.⁶⁶ For all its insistence on the impersonal harmonies produced by the market, 'Free Exchange' economics had sought to restore the importance of the individual to political economy. The emphasis on the innovative and entrepreneurial was a natural result of a doctrine which saw exchange as the moving force of the economy, as individuals constantly attempted to provide services by rearranging factors

⁶⁴ It did not therefore repeat Mill's error of separating 'laws' of production and distribution.

⁶⁵ For an account of the French school's political economy see C.Gide and C.Rist, *A History of Economic Doctrines*, (1915), pp.322-48. They point out that the French Liberals, unlike the British, faced a simultaneous attack from Protectionists and Socialists in the 1840s, which ensured that laissez-faire was emphasised in their doctrine.

⁶⁶ For further details see Sir Louis Mallet, *Free Exchange*, (1891), and Thomas Mackay, ed., *A Policy of Free Exchange*, (1893) and his essay, "Orthodox Economics" in *Dangers of Democracy*, pp.228-266.

of production to new or labour-saving uses. This provided a useful defence of capitalism, on the other hand it suggested that capitalist activities might be extended to all sections of the community with the development of appropriate skills.

Mackay was the main exponent of a 'constructive' policy derived from Free Exchange doctrines, which he combined with the ideas of 'free banking' (a school of thought whose main exponent was the Scottish economist Henry Dunning MacLoed),⁶⁷ fleshing out his argument with the social moralism of COS doctrine. Mackay sought to adapt the 'human capital' prescriptions of Free Exchange to the problems of working class dependence and independence identified by the COS. The key argument of the Society against state welfare was that it misidentified the nature of poverty and thus perpetuated it. Poverty was an ethical and cultural problem, and one whose solution lay with the individuals affected by it, rather than society as a whole. On the other hand it was in everyone's interest to encourage the poor to win their material independence. The remedy thus lay in improving the morale of the poor, partly by the coercive threat of the workhouse for the voluntarily poor, and encouraging self-help and mutual aid to reintegrate the poor back into civil society. The result would be a reformed citizen, engaged in the productive process and endowed with self-discipline, foresight and responsibility in his private life. As Mackay complained:

Endless Acts of Parliament have been passed, now to protect, now to coerce the poor, and as a consequence atrophy has settled down on some of the instincts which might otherwise have protected them. The first lessons in thrift; the first inducements to rely on property; the first motives to refrain from consuming wages on the day they are earned, arise from the desires of men to provide against the uncertainties of an unknown morrow....Our poor laws and the ubiquitous philanthropist have done their best to prevent the poor man from...yielding to this desire.⁶⁸

⁶⁷ See MacLoed's essay in *Policy of Free Exchange*, and for a much more detailed, modern treatment see Lawrence White, *Free Banking in Britain*, (Cambridge 1984).

⁶⁸ Mackay, *The English Poor*, (1889), p.12.

One of the main evidences of successful reform would be a tendency to deferred consumption, 'thrift' would act as a basic form of social insurance, and provide the more enterprising with capital with which to develop their own businesses. This view, defended in different forms by leading COS activists like the Bosanquets and the Society's Secretary, Charles Loch, was very much on the defensive by the Edwardian period; Mackay's arguments were complementary, but gave more emphasis to an optimistic view of working class mutualism.⁶⁹

Mackay's actual prescriptions were however conservative, and were not intended to threaten class harmony. He advocated the establishment of "People's Banks" in order to facilitate working class investment rather than merely thrift. This policy had three main aims; to counter-attack against state interference by exploiting working class hostility to the state; to offer a more dynamic conception of 'self-help'; and to ensure that it was the working classes themselves who imposed the doctrines of 'self-help' rather than have them imposed from without by agencies like the COS (although Mackay never supposed that his policies would mean an end to the Poor Law).⁷⁰ Mackay drew on the examples of the private Scottish banks of the early nineteenth century and the contemporary agrarian banks in Italy and Germany. These banks, in Mackay's view, had provided an easy access to capital for their clients, placing particular emphasis on good character as a security for their loans. This encouraged a decentralised and personal form of economic discipline, which would greatly facilitate the economic reform of the poorer classes if they were allowed to run such banks themselves. Thus despite the economic gains made by the workers under the existing system,

⁶⁹ Mackay's most important statements of his views were "People's Banks" in *Methods of Social Reform* (1896), pp.286-310; "Investment" in *A Plea for Liberty*, pp.227-258; "The Interest of the Working Class in Free Exchange" in *A Policy of Free Exchange*, pp.211-248.

⁷⁰ Cf. "Investment" p.252 on the disincentive effects of the Poor Law.

"the coping stone cannot be set on the edifice of industrial competence till the labourer learns something of the art of capitalisation."⁷¹ One result of this new type of banking would be to improve social mobility:

The development of working class credit is still in its infancy, but it is obvious that a reputation for character and skill can give a man a command of capital, the property which every man has in his labour has received a vast addition to its value.⁷²

Mackay was able to turn his argument against Socialism by exploiting its obvious weak spot -- its alleged indifference to working class independence exhibited in its willingness to enhance the powers of the State. This argument was connected to evolutionary considerations of individual adaptation to environment:

The Socialist looks for an automatic performance of social duties under the compulsion of a force *ab extra*. We, on the other hand, contend that individual wills which have not learnt the adaptations taught by self-control, will set such compulsion at defiance, and that the desired result can only come from the impulsion of a force *ab intra*. This consists in the character saturated with the motives of the free life, and in the conviction realised by experience, sanctioned by free choice and made instinctive by custom, that the free interchange of mutual service and mutual forbearance is the beneficent and yet attainable principle on which the wellbeing of society depends.⁷³

The long term aim of popular banking would be to provide credit for self-managed firms, thereby softening social divisions based on economic function -- as Mackay argued "There is a threefold activity involved in the full ideal of the civilised life. Each man is a consumer and should be a labourer and an investor. It will be found that our social troubles are caused because this threefold function is imperfectly performed by large masses of the population."⁷⁴ Mackay also recommended a major expansion of working class insurance through the Friendly Societies, a policy which did not

⁷¹ "Interest of the Working Class" p.230.

⁷² *Ibid.* cf. "Investment" p.309 on mutual banking's potential to eliminate the 'proletarian' mentality.

⁷³ "Investment" p.294.

⁷⁴ *Ibid.* p.320.

challenge Free Exchange doctrine. However this sympathy for working class institutions was not extended to institutions which did violate this doctrine, notably the trade unions, of which he was a vehement critic.⁷⁵ This selectivity which misunderstood working class aspirations, together with his naive comparison of banks for the industrial working class with the peasant banks of Continental Europe vitiated Mackay's proposals, based as they were on a largely outmoded concept of artisanal production. Furthermore Mackay's brand of Individualism was pedagogical rather than libertarian, and could arouse suspicion from intended beneficiaries. The greatest defect of the Individualist attempt to diffuse property lay in the mechanism for change; the voluntaryist creation of cooperatives, popular banks, peasant proprietorships and co-partnership would be achieved gradually through the goodwill of the possessing classes and the growing intelligence of the working classes. The more effective method of resisting Socialism by using the powers of the state to give these schemes a genuine footing in society was immediately ruled out by the Individualist belief that any 'constructive' doctrine was automatically part of the problem to be combated.

(iv) Henry Sidgwick and Utilitarian Individualism.

" I have a certain alarm in respect of the movement of modern society towards socialism, i.e. the more and more extensive intervention of Government with a view to palliate the inequalities of the distribution of wealth. At the same time I regard this movement as on the whole desirable and beneficent." ⁷⁶

Henry Sidgwick was one of the very few Individualists who believed that 'Socialism' had important lessons for Individualist doctrine, and as a

⁷⁵ See in particular his essay, "Freedom of Exchange versus the 'Collective Bargain'" *Methods of Social Reform*, pp.311-63. For a more positive view of the unions educating labour about mutual aid, see "The Interest of the Working Class" p.227.

⁷⁶ *Henry Sidgwick: a Memoir* p.442, diary entry for 17 March 1886.

result he attempted to reconcile the more extensive intervention of the state with traditional liberalism. As a result Sidgwick enjoyed an ambivalent reputation as an Individualist amongst his contemporaries as well as with historians of ideas.⁷⁷ The elusiveness of Sidgwick's political allegiances were further compounded by his temperamental eirenicism and intellectual fastidiousness.⁷⁸ Sidgwick's earnest search for the middle ground in the Individualist/Collectivist debate should not blind us to the fact that his later works, especially *The Principles of Political Economy* (1887) and *The Elements of Politics* (1891) constitute, amongst other things, a formidable critique of Socialism, attempting in the process to present Individualism in a more realistic and moderate form.

Sidgwick was able to break out of the dead ends into which fundamentalist Individualism had entered because of his wholly different philosophical perspective; that of utilitarianism. The Individualists, as we have seen, had been extremely critical of utilitarian ethics, despite tracing their *political* genealogy back to the Philosophic Radicals. Utilitarianism was seen as offering insufficient guarantees for the moral sovereignty of the individual, and as a result was believed to be intrinsically sympathetic to state-enhancing doctrines. Greatest happiness principles became inextricably bound with the legislative possibilities unleashed in the post-1867 political system; felicific calculus appeared to be a *direct* means of achieving desirable ends. Individualists thus condemned the hubristic constructivism that Benthamism had passed on to modern 'Socialism'. Socialism had succeeded

⁷⁷ There is no full scale biography of Sidgwick; for introductory accounts to his thought see William Havarad, *Henry Sidgwick and later Victorian Political Philosophy*, (Gainesville, Fla. 1959) and "The Ordinary Experience of Civilised Life: Sidgwick and the Method of Reflexive Analysis" in S.Collini, J.Burrow and D.Winch, *That Noble Science of Politics*, (Camb.1983), pp.279-307. For a more advanced study see J.B.Schneewind, *Sidgwick's "Ethics" and Victorian Moral Philosophy*, (Ox.1977).

⁷⁸ In politics Sidgwick identified with the Liberal Unionists after 1886, and became more sympathetic to Conservatism as he grew older, see *Memoir* 26 January 1885, pp.398-9.

in redistributing utilities not only by violating individual rights, but had embarked on measures which had produced perverse social consequences by penalising the most efficient individuals. Sidgwick had also been highly critical of some of Benthamism's methodological and ethical principles and he attempted to reformulate utilitarianism in his most famous work, *The Methods of Ethics* (1874). Sidgwick had argued against the cruder psychological egoistic hedonism of Benthamism in favour of a potentially more altruistic universal ethical hedonism, which identified right conduct as that "which will produce the greatest amount of happiness on the whole; that is taking into account all whose happiness is affected by the conduct."⁷⁹ Utilitarianism was therefore concerned to maximise *universal* happiness, over ruling a particular person's happiness if his sacrifice is a net gain to the total social happiness.

This could be seen as a very radical doctrine, but Sidgwick was quick to undermine this potential by stressing the epistemological and psychological barriers to estimating universal hedonism. There were, Sidgwick argued, few direct means of calculating the highest utility in particular situations because of the inherent social complexity and ignorance, thus a viable empirical method would rely on intuitive or 'common sense' forms of practical knowledge, which often had inarticulate understandings of the utility of particular acts and relationships. Real-world utilitarian calculations were therefore often dependent on the mediation of 'middle axioms'; subordinate rules which had a proven social benefit. These rules could of course be overruled by more direct calculations in particular circumstances but they did form an essential guide in everyday administration and Sidgwick trusted that they would only rarely be

⁷⁹ *Methods of Ethics* p.411, cited by Havard, *Henry Sidgwick*, p.96.

revoked.⁸⁰ The conservative implications of this view were obvious; as Sidgwick insisted:

(T)he Utilitarian, in the existing state of our knowledge, cannot possibly construct a morality *de novo* either for man as he is...or for man as he ought to be and will be. He must start, speaking broadly, with the existing social order and the existing morality....if he keeps within the limits (his) separate scientific prevision from fanciful Utopian conjecture, the form of society to which his practical conclusions relate will be one varying but little from the actual, with its actually established code of moral rules and customary judgments concerning virtue and vice.⁸¹

In his political theory Sidgwick adapted the postulates of indirect utilitarianism in defence of traditional Individualism. His main concern was to discover how far the principle of equal freedom can be applied in the maximisation of happiness. Liberty had an instrumental value because it developed the moral judgment necessary for universal ethical hedonism, and it also had a tried and tested success in existing society in fulfilling this objective; thus the onus lay on those who believed that alternative principles promote happiness more effectively to show this. However it was also the case that the subordinate principle of liberty is in constant competition with alternative principles, notably that of equality. Thus Sidgwick was prepared to compromise between competing subordinate principles in his discussion of Individualism and Socialism.⁸²

In the *Elements of Politics*, Sidgwick took his fundamental 'middle Axiom' to be the principle of equal liberty, which he calls the "Individualistic Minimum"; "an individualistic maxim definitely understood

⁸⁰ Sidgwick is therefore not a rule utilitarian -- in contrast to Spencer. Sidgwick does believe that such common sense rules will progressively be systematised into a rational code of utilitarian ethics; see Schneewind, *Sidgwick's "Ethics"* p.332.

⁸¹ *Methods of Ethics*, (1874), pp.473-4

⁸² On the conflict between Individualism and Socialism Sidgwick says: "It will be found possible to reduce it by careful consideration of the opposing doctrines, and so ultimately to find a common ground on which a profitable discussion may be conducted between them." *Principles of Political Economy* (1887), p.500.

as a subordinate principle or 'middle axiom' of utilitarianism i.e. that individuals are to be protected from deception, breach of engagement, annoyance, or other conduct tending to impede them in the pursuit of their ends, so far as such protection is conducive to the general happiness."⁸³ This principle did not however yield the weighty side constraints on state interference demanded by the 'natural rights' paradigm of the fundamentalists. Indeed, Sidgwick believed the Law of Equal Freedom as defended by Spencer contained major inconsistencies in such areas as the appropriation of natural resources, which materially diminished the freedom of those unable to appropriate, (and such rules as the Lockean proviso no longer have any real meaning in developed societies.) The legitimacy of appropriation would instead be determined by the criterion of marginal utility taking into account such factors as security and incentives.⁸⁴ The philosophical grounds of 'Absolute' Individualism were also found wanting in the case of intellectual property rights (Spencer had defended absolute rights of ownership for inventors), where absolute rights of ownership for one party could seriously deprive others of opportunities, and in rights of bequest. However in both cases Sidgwick made a strong case for minimal interference on the grounds of protecting incentives.

Individualistic legislation therefore aimed at securing for each individual conditions for providing his own happiness, to secure him from pain or loss caused directly or indirectly by others, and ensuring that parents perform duties towards their children.⁸⁵ The state in the

⁸³ *Elements of Politics* (2nd ed. 1897), p.55.

⁸⁴ *Ibid*, pp.48-50, 70-77. the rules for appropriation are "that the thing appropriated would not practically have been available for human use, if the appropriator had not laboured in seeking for it" or "that his appropriation does not materially diminish the opportunities open to other persons of obtaining similar things, owing to the natural abundance of such opportunities." p.50.

⁸⁵ *Ibid*. p.58.

Individualistic regime would take action in the area of externalities, including market failures due to monopolies, it would regulate the use of natural resources, and provide essential public goods. None of these duties breaches the Individualistic minimum as the key sociological argument for laissez-faire -- that common welfare is best achieved by each pursuing his own interest. Thus "an important part of the increasing interference of Government which alarms the old fashioned advocates of laissez-faire is not really distinguishable in its principles and aims from the kind of governmental action which the most vigorous Individualism has always regarded as indispensable"⁸⁶ -- protecting persons from intentional or unintentional harm as is the case in the regulation of the use of natural resources.

Sidgwick's conception of 'socialistic interference' was sufficiently inclusive to encompass the regulatory framework of the liberal State; hence the confusion which has arisen over his attitude to 'Socialism'. He claimed that "governmental interference may all be called "Socialistic" in principle; (if it) tend(s) to narrow the sphere of private property and private enterprise, by the retention of resources and functions in the hands...of Government as representing the community."⁸⁷ The use of the term in this way obscures the distinctive egalitarian element of such interference, as provision of public goods is not directly egalitarian in its effects. This confusion of terms somewhat vitiates Sidgwick's reformulation of Individualism as an ideology as he fails to demarcate, at least in terms of language, what does not constitute 'socialistic' interference.⁸⁸

⁸⁶ *Ibid.* p.143.

⁸⁷ *Ibid.* p.153. In particular Sidgwick refers to Government regulations, subsidies, management, and ownership of monopoly within these categories.

⁸⁸ *Ibid.* p.154; again Sidgwick is unclear over the distinction between 'socialistic' interference and 'Socialism' -- claiming that they are distinguished by the fact that the former does not aim at direct redistribution to certain deprived groups.

Sidgwick's conception of Socialism was intended to be used as a critical tool for assessing the disutilities inherent in the Individualistic system. He could launch a frontal assault on Socialism because of the requirements of utilitarian doctrine, instead he subtly deflates its claims by showing how as a non-revolutionary creed it is bogged down in a number of insurmountable practical difficulties. The resulting critique of Socialism is a kind of anti-Fabianism, showing the major disutilities of 'gradualness'. Sidgwick is concerned with Socialism as a possible utilitarian standard of distributive justice; in the *Methods of Ethics*, for example, he identifies it with a desert based conception of justice -- namely that labour should obtain the utilities produced by it.⁸⁹ It is not an extreme egalitarian conception of justice based on equal shares,⁹⁰ neither was it 'any movement for substituting governmental for private and competitive management in any department of industry,'⁹¹ though he was not always consistent on this point. Sidgwick concluded that Socialism was usually understood as the predominance of public ownership in an economy together with the commitment that the State impose a distributive standard according to the marginal utility of labour contributed.⁹² He accepted that this was an attractive ideal in its attempt to maximise total happiness by more equitable distribution, as well as removing some of the inherent defects of the market economy such as the waste caused by over-competition. However he briskly rejected Socialism as an economic system -- although public ownership might succeed, at least temporarily, in making a reality of equality of opportunity, it would be unable to overcome the fatal weakness

⁸⁹ *Methods of Ethics*, p.294: "(T)he Socialistic Ideal of Distribution (is) founded on the principle of requiting Desert."

⁹⁰ Sidgwick makes a distinction between 'Communism' and 'Socialism' in *The Principles of Political Economy*, pp.526 ff., identifying the latter with desert-based justice under the regulation of the state.

⁹¹ *Principles*, p.528.

⁹² *Elements*, p.158.

of being unable to calculate the contribution of specific labour contributions in the absence of the pricing system of the market, the desert-based conception of justice is thus chimerical.⁹³ Thus Sidgwick concluded:

We may therefore infer that -- leaving out of account the disturbances of the transition -- the realisation of the Collectivist idea at the present time or in the proximate future would arrest industrial progress; and that a comparative equality of incomes which it would bring about would be an equality in poverty.⁹⁴

In countering these ideas he gave particular weight to the contributions of managerial and entrepreneurial ability.⁹⁵ This paean to industrial capitalism contrasted sharply with his low estimation of Socialist economics.⁹⁶

Although Socialism failed as an economic theory, Sidgwick believed that it was persuasive as a subordinate critical principle in Individualistic societies. We have already noted how socialistic interference is necessary to fulfil the egalitarian requirements of universal hedonism. "Socialistic" interference had an identity separate from the state interference necessary to regulate the market economy. It aimed at "the diminution of the marked inequalities in income which form so striking a feature of modern civilised societies."⁹⁷ In practice it aimed at redistributing opportunities rather than making direct transfer payments, and Sidgwick had a typically Individualist fear of eleemosynary aid. It was thus best realised through such measures as public education; the taxation necessary for such measures is justifiable on the grounds that it is a transfer from the propertied to the unpropertied

⁹³ Cf. *Principles*, p.531 on Socialism's loss of market pricing.

⁹⁴ *Elements*, p.159.

⁹⁵ *Ibid.*, p.159.

⁹⁶ For his dismissal of socialist economics see in particular "The Economic Lessons of Socialism" (1892) in *Miscellaneous Essays and Addresses* (1904), p.237 where he maintains that "no positive contribution of importance has been made to Economic science by any Socialist writer throughout the century."

⁹⁷ *Elements* p.158

as compensation for opportunities foregone in allowing private appropriation of natural resources. Such taxation was optimal when it increases the efficiency and mobility of labour, and offers cultural opportunities. In this way it does not undermine the Individualistic regime: as Sidgwick insists "in so far as this is done without such heavy taxation as materially diminishes the stimulus to industry and thrift...this expenditure of public money, however justly it may be called Socialistic, appears to be none the less defensible as the best method of approximating to the ideal of Individualistic justice."⁹⁸

Socialistic interference therefore had a more modest aim than imposing desert-based justice, rather it aimed at enabling individuals to gain a closer approximation of the value of their labour by equalising opportunities, and hence appeared compatible with traditional liberalism. Sidgwick however stipulated that such interference must not diminish the total social product, and hence this condition is a major deterrent against radical legislation.⁹⁹ Furthermore he was extremely wary of public management as he feared it would lead to "overburdening the governmental machinery with work", "increasing the power capable of being used by governing persons oppressively and corruptly" and "the desire to gratify certain specially influential sections of the community."¹⁰⁰ He completed his case against socialistic interference with the decisive point that it would provide inadequate incentives compared to private enterprise.¹⁰¹

Ritchie memorably described Sidgwickian utilitarianism as "Benthamism grown tame and sleek"¹⁰², and this seems an apt way of

⁹⁸ *Ibid.* p.163. He notes also that it was a tacit assumption of the classical economists that equality of opportunity was assumed in justifying laissez faire as the optimal stimulus to production. p.162.

⁹⁹ *Ibid.* p.160.

¹⁰⁰ *Ibid.* p.167.

¹⁰¹ *Principles*, p.416.

¹⁰² Reviewing *The Elements of Politics*, quoted in "Ordinary Experience" p.291.

characterising his Individualism. Sidgwick attempted to kill Socialism with kindness, or at least with a rather condescending intellectual sympathy. His disdain for Socialist economics was however considerable, and Socialism as an economic system was not treated as a serious challenger to the market economy in maximising human happiness. The concessions made by the Individualistic minimum to 'socialistic interference' as an egalitarian counterweight to the principle of equal liberty were also somewhat limited. For all his use of the 'socialistic' adjective, which made him a doubtful ally in the eyes of the fundamentalists, Sidgwick could never be bracketed with the New Liberals. His brand of utilitarianism yielded conservative conclusions without difficulty, and his faith in free enterprise and the existing system of property relations remained undimmed. His intellectual strategy of initially welcoming a specific 'socialist' proposal and then dissecting its claims in depth, invariably ended with the judgment that it lacked the intellectual force to overrule the status quo, and Sidgwick doubtless intended to sap the morale of his readers who entertained a superficial sympathy with such proposals. Individualists working within the evolutionary or rights paradigms were obviously unconvinced that such a version of utilitarianism, which was not bounded by strict libertarian rules, only by competing middle axioms, could offer real safeguards against 'legislative Socialism'. This explains Sidgwick's neglect as an Individualist thinker, for the fundamentalists were correct when they claimed that Sidgwick's doctrine has no veto against socialistic legislation. In making Individualism a more politically realistic creed, he deprived it of the moral certitudes of natural rights theories, and to a great degree of its ideological coherence as well.

(III) Organising Individualism.

"Wealthy Englishmen have made a much less vigorous resistance to socialistic legislation than would have been expected by the statesmen or the economists of sixty years ago." ¹⁰³

As I shall be examining the political role of Anti-Socialist pressure groups in some detail in Chapters 4-6 I shall only discuss their general features and the role that Individualists believed they could perform in this section. Individualist ideologues recognised that the main political problem facing them in combating the drift to a socialistic regime lay in persuading both the electorate and politicians to curb their propensity for interfering in ever more spheres of life. However few believed this was a fruitful line to pursue, and so most of their energies were directed into attacking specific pieces of legislation, by harnessing those interests affected by such legislation and by attempting to show how such legislation had unintentionally deleterious effects on those it was meant to benefit. At the same time most Individualists were aware that such a stance brought the danger of too close an association with traditional Conservatism, and so they made much of their desire to help all classes whose liberties were threatened by the State.

Individualists therefore needed to pursue a political strategy which was capable of winning support from mainstream politicians without compromising to any great degree the coherence of their doctrine. This latter course was not misplaced purism, but ideologically essential given the extremely narrow definition of Individualism they deployed; too great an identification with 'common sense' Individualist nostrums would have probably meant the extinction of classical liberal ideas from mainstream discourses in an intellectual environment where the onus of proof was coming to lie ever more heavily on the defenders of the free market. In the

¹⁰³ A.V.Dicey, *Lectures on Law and Public Opinion*, pp.lx-lxi.

event the attempt to organise Individualism, and thereby give a new lease of life to the defence of limited government and the free market proved a failure; by 1914 not one of the various Individualist pressure groups exerted any significant political influence, and certainly were incapable of organising resistance to new instalments of welfare legislation, and the taxation needed to pay for them. The resistance to 'Socialism' had become the monopoly of the Unionist Party and it was criticised by them in a debased Individualist vocabulary in the eyes of the fundamentalist Individualists. The line of argument which equated Socialism with any divergence from the strict justice-enforcing duties of the Individualist state had practically disappeared by 1914. One Unionist Anti-Socialist propagandist's pungent criticisms of the Individualist position gives some idea of the changed situation in the Edwardian era:

Individualists are the impossibilists of Anti-Socialism, and it is probable that certain sections of them will resist any practical Anti-Socialist policy with more determination than they have ever displayed in opposing the Social Democratic Party....of all policies intended to relieve the social evils of the day or to win workers away from Socialism, Individualism is the most hopeless.¹⁰⁴

This *schadenfreude* was matched by the Individualists' predictable condemnation of the "Tory Democratic" (or "Tory Socialist") machinations of every Conservative Government which traded liberties for votes.¹⁰⁵ Thus neither of the main Parties harboured organised and doctrinally aggressive Individualist factions,¹⁰⁶ a fact which might have surprised their progenitors in the early 1880s. The Liberals in particular appeared to be unprepared to defend their Individualist heritage after 1906, practically leaving it in the hands of the admittedly articulate but isolated Harold Cox (Liberal MP for

¹⁰⁴ Lawler Wilson, *The Menace of Socialism*, p.441.

¹⁰⁵ E.g. Wordsworth Donisthorpe, *Liberty or Law ?* (1884) p.10: "The Conservative Party, through its leader in the Upper House [Salisbury], have thrown in their (*sic.*) lot with State Socialism."

¹⁰⁶ For an exception see "A Plain Tory" *Conservative Policy and Tory Democracy*, (1892).

Preston 1906-10). There were various reasons for the ideological atrophy of Individualism within the main Parties. Most of the Liberal Unionist MPs who moved towards the Conservatives after 1886 were of an older generation, and were primarily concerned with arguments about the Union rather than Socialism. As the social legislation of the Unionist Governments was generally not seen as 'socialistic', then the question did not become a divisive one. Until the Liberal welfare reforms after 1906, the Parliamentary organisation of Anti-Socialism was unimportant, and by the time this issue had resurfaced the fiscal question had put a whole new slant on the perceived relationship between Individualism and Anti-Socialism.

One group stood out as an exception to this trend -- the Liberty and Property Defence League. Although the League's activities are now known in some detail,¹⁰⁷ the LPDL requires discussion because it was influential in shaping public perceptions of Individualism. Although the Individualist movement was always tiny,¹⁰⁸ it had some effective press and Parliamentary connections. The latter interest was represented by the LPDL, which was formed in July 1882 by the Earl of Wemyss (as Lord Elcho) to defend interests threatened by 'socialistic' legislation. Although the League operated outside of Parliament, particularly during the 'Free Labour' disputes in the 1890s and the anti-municipal campaign at the turn of the century,¹⁰⁹ Wemyss saw the League's main role as blocking legislation

¹⁰⁷ See Norbert Soldon, "Laissez Faire as Dogma: The Liberty and Property Defence League, 1882-1914" in Brown, *Essays in Anti-Labour History*, pp.208-33, and Bristow, "The Liberty and Property Defence League and Individualism" *HJ* 18.4, 1975, pp.761-89.

¹⁰⁸ W.Donisthorpe, *Law in a Free State* (1895), p.vii, claimed in the 1870s the Individualist could be "seated comfortably in a Bayswater bus", but by the 1890s they had "thousands....perhaps tens of thousands" of members.

¹⁰⁹ For 'Free Labour' see Soldon, *op.cit* and Geoffrey Alderman, "The National Free Labour Association" *International Review of Social History*, 1976, pp.309-36 and J.Saville, "Trade Unions and Free labour: the Background to the Taff Vale Decision" in A.Briggs, ed., *Essays in Labour History*, (1960), pp.317-50. For its involvement in the anti-municipal campaign see Chapter Four.

in Parliament. Although he claimed that the LPDL was anxious to defend any type of property threatened by State socialism,¹¹⁰ in practice the League was most active on behalf of trade defence associations threatened with regulatory legislation, wishing to make use of the League's expertise in parliamentary obstruction.¹¹¹ Such a strategy was often effective in voting down private bill legislation, but with its membership most active in the Upper House, the LPDL stood little chance of resisting Government sponsored social legislation.¹¹² Not surprisingly this gave the League an unenviable reputation amongst its left-wing critics, but many Individualists were also critical of its indifference to more popular causes. Roland Wilson claimed "where the issue was one of personal liberty simply, unconnected with either trade interests or land or capital, the League was not much in evidence."¹¹³ Some League members had insisted that it needed to avoid this reputation from the start, by identifying with working class interests threatened by state intervention; Lord Brabourne thus argued at the inaugural meeting; "the more we keep property out of sight and put liberty forward....the more likely we are to inspire the public with confidence in our actions."¹¹⁴ This was an unrealistic objective, not only because of Wemyss's hostility to non-economic forms of libertarianism (for example he supported conscription), but because most trade unionists had a very different conception of anti-statism to that of the League.

¹¹⁰ See his remarks at the League's inaugural meeting, *Self-Help versus State Help*, (LPDL 1883), p.8 on defending all types of 'property.'

¹¹¹ This appears to have been intentional; the trade associations were given *ex officio* status on the League's Council and were the main source of its funds.

¹¹² By 1891 the League claimed to have resisted successfully 386 such private bills, Bristow, "LPDL and Individualism" p.768.

¹¹³ Wilson, *Province of the State*, p.290. See also the critical remarks made by the anti-socialist Trade Unionist George Howell, "Liberty for Labour" in *A Plea for Liberty*, p.122.

¹¹⁴ *Self Help versus State Help*, p.18, see also the comments of Lord Dunraven, p.17.

The League thus saw its role in terms of interest group politics rather than active propagandising. Most of the fundamentalist Individualists were not connected with it, and gradually it came to have an almost exclusively Conservative or Liberal Unionist membership in Parliament.¹¹⁵ Although League members denied that they shared the dogmatic rigidity of the fundamentalists; H.D.Pochin insisting:

One great difficulty the League has had to contend with has been the impossibility of drawing a hard- and-fast line, and saying all legislation on that side of the line is wrong, and all legislation on that side...is right. That we cannot do. We do not attempt to do it.¹¹⁶

However the logic of resistance, and the possibility of indiscriminating aid to any threatened trade interest group deprived this claim of much force. There is no clear evidence of the League being prepared to accept any important case of state interference either on tactical or doctrinal grounds.¹¹⁷

Other Individualist groups made even less impact in the Anti-Socialist campaign; the Personal Rights Association, although opposing state interference with 'free' contract, was nevertheless more concerned with issues of non-economic civil liberties. The British Constitution Association (formed 1905) acted in a much more limited area as the propaganda body for the Unionist Free Traders (though there was some overlap of membership with the League), and the Anti-Socialist Union had only

¹¹⁵ Spencer never joined the League because of its Tory reputation; see Spencer to Wemyss, 1 March 1884, in *Life and Letters*, p.242. Donisthorpe left the League in 1888 because of Wemyss' attitude on questions like Disestablishment.

¹¹⁶ *First Annual Dinner of LPDL*, July 12 1888, (1888). See also Earl of Pembroke, "Address to Members of the LPDL" (1885), in *Political Speeches and Letters*, (1896), p.173.

¹¹⁷ See for example the questionnaire the League sent to parliamentary candidates in the 1892 election; this asked "Will you resist all State interference with freedom of contract and the necessary to the paramount interests of the public weal.; "Will you oppose all state and municipal interference with private enterprise...", and in this failure of these objectives the candidates were asked to demand full compensation. *Annual Report 1892-3*, p.32.

tenuous links with traditional Individualism. The League was the most important of the pre-war anti-socialist leagues, as it was the first right-wing pressure group to take up a consistent and permanent position on social and economic questions. This fact led to some exaggeration of its doctrinal position and hence it was always like to hold a minority position. It managed quite successfully to tap an older generation's fear of the State, whilst at the same time failing to extend its support to groups outside of the ruling elite. The LPDL was not of course wholly unpopular; its opposition to over-regulation of the liquor trade won it some support, but on the crucial issue of mobilising support against Socialism, both as the political organisation of the working classes and as state interference in the economy it was unsuccessful.

Overall the Individualists failed to win public support for their ideas not merely because opinion was running against them. Individualists were also hampered by their residual mistrust of 'politics' itself -- the belief that the political process was inherently corrupting as a means of allocation.¹¹⁸ An Individualist party in politics was thus a non-starter -- even if ideological consensus had been possible. This relegated their political role to that of obstruction and criticism of existing 'socialistic' legislation. Some Individualists still held out hope for a more radical programme; Wilson emphasising his differences with the LPDL maintained:

The Libertarian, like the Collectivist, may be either "Fabian" and opportunist, or impatient and revolutionary in his methods of the required changes; but the attitude of mere resistance to hinder change, a willingness to rest finally content with small and superficial changes is impossible for him who has grasped the principles of either system.¹¹⁹

¹¹⁸ See the interesting comments by J.W.Bunnage, "A Symposium on a Spencerian Party in Politics" in *Free Life*, no.157, September 1899, pp.76-77: "If by Politics we understand the struggle of a party for power over their fellow men, Spencerians who desire no such power, can have nothing to do with politics.."

¹¹⁹ Wilson, *Province of the State*, p.297.

But of course the trend towards intervention had not gone sufficiently far by 1914 to provoke a general reaction in favour of Individualism. Individualists believed that benign social and political change worked out slowly and gradually -- but 'socialism' in Britain was working out in such a way. Ironically it would require that 'Socialism' be much more fully established before an Individualist counter-attack seemed plausible.

(IV) Conclusion: After Individualism.

The Individualists were always aware of the immensity of the task facing them in turning back the Socialist tide. In 1884 Donisthorpe warned:

Unless...it can be shown to the satisfaction of the working classes that class legislation...cannot in the long run be of advantage to them, but rather the reverse, we must prepare for a long period of sullen Chinese uniformity and mob despotism, such as has never been known before.¹²⁰

Yet the Individualists failed to win a popular basis for their Anti-Socialist campaign, and this failure must be seen as both ideological and political. By 1914 Individualism was defunct as both a doctrine and a political movement with only a handful of public figures accepting the Individualist tag in 1914; the majority would have felt it to be a pejorative. The arguments for Individualism from the grounds of natural rights or Spencerian evolutionism appeared increasingly marginal as political vocabulary became dominated by concepts of 'social organism', the 'State' and 'welfare.' The reasons for this failure are complex and go beyond the confines of the debate over 'Socialism'; at the same time the Individualist critique of Socialism contributed to these difficulties. Unlike the Anti-Socialists whom we examined in Chapter One, the Individualists were not overly interested in Socialism as a distinct and novel economic and ethical doctrine. Instead Individualists perceived Socialism essentially as a problem of *politics* -- of an

¹²⁰ Donisthorpe, *Liberty or Law ?* p.13.

ignorant democracy forcibly demanding redistributive measures, and encouraged to do so by a doctrine of debased utilitarianism.

'Legislative Socialism' thus became the Individualists' dominant perception of Socialism -- a doctrine deeply inimical to rights, to economic 'laws', and to long term evolutionary adaptation of the individual to his environment. In abridging the doctrines of mid-Victorian liberalism in this way, they deprived themselves of the ideological tools necessary to make a broad based attack on Socialism. Any critique of 'empirical socialism' would have to account for pre-'socialist' regulatory legislation -- some Individualists grasped the nettle and demanded the repeal of the Factory Acts and so on, but most recognised this was politically suicidal.¹²¹ Yet Individualists were unable to produce consistent rules with which to differentiate the different types of state intervention, in order to more effectively castigate socialistic legislation, largely because the doctrine of the minimal state defended by Spencer and his followers allowed limited room for manoeuvre. The only available alternative was to opt for a utilitarian Individualism as defended by Sidgwick, but this was sufficiently vague as to allow damaging concessions to be made to Socialism.

The alternative strategy was to demonstrate by empirical research the manifest failings of existing socialistic legislation and hope thereby to provoke a general reaction against interventionism.¹²² This was never forthcoming, partly because the Individualists lacked the economic skills with which to analyse the perverse consequences of such legislation, but

¹²¹ See the remarks of Pembroke to a meeting of the LPDL "Liberty and Socialism" in *Political Speeches and Letters*, p.227; "There may be good reasons for opposing measures akin to the Factory or Sanitary Acts; but to denounce them on the *sole* ground that they are infractions of a sound principle would have, to my mind, no effect but to put the League hopelessly out of court."

¹²² Cf. *Liberty Review*, Dec.1893, p.14: "(C)riticisms of Socialism are not perhaps so much what is needed, as proofs that meddling legislation is mischievous, even when it is not called Socialism."

mainly because there had been insufficient interference with the market system to make such a critique credible. In the event Individualism proved to be too narrowly based to maintain a formidable intellectual defence against the ideas of Socialism proper and the New Liberalism, and too intellectually under developed and politically constrained to launch an ideologically innovative critique of 'Socialism'.

CHAPTER THREE

W.H.MALLOCK AND INDIVIDUALIST CONSERVATISM.

(I) Introduction: Individualist Conservatism.

In the previous chapter I discussed the process by which classical liberalism ('Individualism') migrated in a conservative direction, both in terms of doctrine and political allegiance, in response to the 'Socialist' challenge. In this chapter I shall examine the parallel process from the Conservative perspective; how 'Socialism' forced Conservatives to draw increasingly on concepts and idioms traditionally associated with 'liberal' Individualism. Contemporaries noted how the attack on Property in the 1880s caused Conservatives to draw on the language of 'natural rights' and the free market. The Individualist journal, *Jus*, remarked in 1887: "it seems to have fallen to Conservatives to vindicate the doctrines of Adam Smith, Humboldt, and Bastiat against Neo-Radicalism."¹

This process involved more than ideological parasitism; the formulation of an 'Individualist' Conservatism owed as much to an internal dialogue within Conservatism as to the absorption of 'liberal' Individualist doctrines. It can be argued that, to a certain degree, the vocabulary of Individualist Conservatism only restated aspects of the traditional Tory libertarianism, which had formed part of the Conservative Party's identity throughout the nineteenth century.² Indeed the Tory tradition of hostility to centralising bureaucracy and the imposition of uniform, 'utilitarian'

¹ *Jus*, 4 February 1887, p.8.

² See for example the libertarian anti-centralism present in Conservative arguments against such measures as the Factory Acts, Public Health Acts and Poor Law in the 1830s and 1840s, see W.C.Lubenow, *The Politics of Government Growth*, (Newton Abbot 1972), *passim*.

standards showed that Conservatives had as much claim to the libertarian mantle as did traditional Liberals.

This libertarian heritage gained a new importance in the 1880s, not merely in countering Socialism, but also as a means of taking advantage of the split within the Liberal Party, which seemed to make the unification of all the interests of 'Property' a real possibility. Anti-statism and the defence of property were therefore given an increasingly important place in Conservative rhetoric in order to draw middle class Liberals away from the interventionist Radicalism which emerged in the 1880s. The longevity of the post-1886 Unionist ascendancy was often interpreted as a vindication of this 'new' Conservatism; one writer claimed after the 1895 election victory:

The solidarity of interest between all owners of property in the face of an attack upon the principle of private property is, in (my) judgment, the main cause that has brought about the Conservative reaction, which has taken place during the last quarter of a century.³

In the section on "Individualist Conservatism" I examine the basis of this rhetoric, tracing elements of continuity and innovation in its language. However as this phenomenon was largely a matter of Party manoeuvre, I will attempt to substantiate my argument that 'Socialism' forced Conservatives to make the defence of 'capitalism' an integral part of their ideology by examining the ideas of William Hurrell Mallock, probably the most articulate exponent of Individualist Conservatism.

Mallock's redefinition of Conservatism was the most sustained and innovative of any undertaken between 1880-1920. Unlike many other Conservatives who tried to meet the challenge of Socialism by reworking a pseudo-historical "Tory Tradition", Mallock self-consciously set about modernising the identity of Conservatism by defending the claims of the business elite. At the heart of Mallock's ideology was a powerful defence of economic inequality, which attempted to meet Socialism directly. In

³ Edward Dicey, "Conservatism of Today" *QR* 180, April 1895, p.573.

reasserting the claims of the entrepreneur against radical criticism of the "leisure class", he went beyond the conventional libertarian arguments of the Individualists; his brand of 'industrial authoritarianism' perhaps bridging the gap with traditional Toryism.

As has already been shown, the 1880s witnessed the emergence of Individualism as a distinctive ideology. However although Individualists were to show an increasing *political* affinity with Conservatism, their doctrines remained firmly entrenched, both in terms of concepts and the vocabulary with which they were communicated, in the framework of 'liberalism.' This caused some problems in the Individualist-Conservative relationship, though the 'common sense' Individualism of Liberal Unionists differed little from that of their Conservative colleagues. Lingering suspicions about Tory 'paternalism', and what was probably of greater importance, their close association with the increasingly marginal interests of Anglicanism and Land prompted some Conservatives to emphasise different rhetorical priorities. Thus in 1885 the Conservative journalist, Percy Greg argued that:

the Radicals of to-day inherit from those of fifty or even of thirty years ago nought but their name. They have perverted democracy into the despotism of demagogues,...substituted centralisation for self-government, universal interference and legislative regulation for individual liberty and freedom of contract....The championship of individual action and proprietary rights, of public funds and private engagements, of voluntary contracts and personal freedom, of local and individual liberties, resistance to paternal despotism and state intervention -- the guardianship of all the best traditions of all English parties -- are left in Tory hands.⁴

This line of argument was not of course new; it was present in various forms both in the aristocratic Individualism of Lord Salisbury, whose Conservatism was predicated on a straightforward class conflict between propertied and propertyless, and, as Paul Smith has clearly shown, also in

⁴ Percy Greg "The New Radicalism" *NR* 5, April 1885, p.172.

mainstream 'Disraelian' Conservatism of the 1860s and 1870s.⁵ The strategy of defending 'liberty and property' however was extended in the 1880s beyond appealing to the Whig and commercial Liberal gentry to the broader base of the middle classes, who it was believed would temper their visceral sentiments of opposing privilege when faced with the prospect of socialistic legislation in a political system dominated by the working class electorate and managed by the caucus ringleader. Conservatives favourable to this strategy thus condemned the more demotic versions of Tory Democracy of Churchill and Gorst. The Tory journalist, T.E.Kebbel, criticised Conservative indifference to the middle classes who, he argued, would prove much more reliable supporters than the opportunistic working class electorate:

(I)t is curious that we witness no efforts to enlist on the Conservative side that immense class of the community which is so deeply interested in the preservation of the existing order. The most able and influential of the Conservative Party seem rather inclined to place their whole reliance on the working classes, or at all events to think that the middle classes may safely be left to themselves, and to the force of their own instincts, to back the right side in the great strife which is impending.⁶

The years after 1886 saw such fears dissipate with the Unionist Alliance conscious of its dependence on middle class support. However as both Salisbury and the Liberal Unionists recognised the need to placate working class opinion, such concessions on social and political reform had to be forthcoming: the Allotments and Small Holdings Act, the 1891 Education Act and 1897 Workmen's Compensation Act demonstrated that a retreat into LPDL-style Individualism was considered desirable by no senior

⁵ For Salisbury see Paul Smith, ed., *Lord Salisbury on Politics*, (Camb. 1972) -- interestingly Salisbury does not appear to have commented in any detail on 'Socialism,' his conception of class politics remaining stuck in the pre-Socialist paradigm of crude redistributionism of 'democratic' politics; for Disraelian Conservatism, see the same author's *Disraelian Conservatism and Social Reform*, (1967).

⁶ T.E.Kebbel, "The Conservative Instincts of the English People: the Middle Classes" *NR* 2, 1883, p.701.

politician in the Alliance.⁷ Although these reforms by themselves were unlikely to cause a haemorrhage of support from the propertied classes, they were nevertheless bitterly condemned by Tory Individualists as leading to over-centralisation and the erosion of local social hierarchies (e.g 'free' education and the new County Councils). In an outspoken tract published in 1892, a disillusioned 'Plain Tory' attacked the Salisbury Government as being in effect socialistic, and he condemned its willingness to give ideological priority to opposing Home Rule, whilst cynically dropping its opposition to 'socialism' when pressurised by Tory Democrats and Radical Unionists:

Whatever view we take of the legislation of the day....surely we must all admit the strangeness of the position of the Unionist Party, which submits to every ordinance of English Socialism, in order to thwart the constitutionally expressed opinion of the Irish Democracy.⁸

The writer went on to advocate the formation of an independent Unionist group to intervene in selected constituencies in order to pressurise Unionists into returning to properly conservative policies.

These attempts to give political voice to an 'Individualist Conservatism' were not ideologically sophisticated, being mostly undertaken for short-term demands of strategy in a period of considerable political flux. They did not attempt to demonstrate how the different idioms and beliefs of Conservatism and Individualism could be reconciled on the deeper level of ideology. Moreover to the extent to which one can discriminate a distinctively *Conservative* libertarianism, it was still rooted in the traditional language of the landed classes' fears of centralisation eroding traditional, hierarchical pluralism. The attempt to modernise this outlook for industrial

⁷ For the Unionist Alliance see John France, "Salisbury and the Unionist Alliance" in Robert Blake and Hugh Cecil, eds., *Salisbury: the Man and his Policies*, (1987), pp.219-51, esp.pp.230-1 for Salisbury's own understanding of the strategic importance of 'reform.'

⁸ 'A Plain Tory' *Conservative Policy and Tory Democracy* (1892), p.7. It is likely that the writer was a member of the LPDL, as the same pseudonym was used by a regular contributor to the League's journal, *The Liberty Review*.

society thus remained to be undertaken when Mallock took up his pen for the Conservative cause at the beginning of the 1880s.

(II) Mallock's New Conservatism

"Just as Rationalism, so called, has been discrediting not only Christianity, but the primary ideas underlying thereto religion of any kind; so the spirit of social progress been discrediting not only the conclusions of this or of that economist, but the principles which were supposed till lately to underlie all possible civilisation. Just as the belief in a Deity and a future state has been attacked on the one hand, so have the rights of property and the Malthusian explanation of poverty on the other." ⁹

William Hurrell Mallock was born in 1849 into a family of the minor Devonshire gentry.¹⁰ He grew up in an atmosphere of High Toryism and High Anglicanism -- loyalties which Mallock retained until his death in 1923. His youthful Toryism was to find foils in the mild Radicalism of his schoolmaster and more pointedly in the ecclesiastical liberalism of Jowett, which he encountered during his time at Balliol between 1870-74. Mallock's undergraduate career was undistinguished but he was soon to find fame with the publication of his satirical novel, *The New Republic*, in 1876. Subtitled "Culture, Faith and Philosophy in an English Country House", the book was a semi-serious assault on the pretensions of contemporary secular humanism, represented in different forms by such figures as Arnold, Pater, Huxley and Jowett. The novel enjoyed a certain *succès de scandale*, and Mallock acquired the reputation of a promising literary figure. His later novels all showed, however, a failing creative talent and received little critical attention. Lacking a private income Mallock was forced to become a frequent contributor to the late Victorian periodical press, where he concentrated on religious and political issues. He was probably the most

⁹ "How to Popularise Unpopular Political Truths" *NR* 6, Oct. 1885 p.223.

¹⁰ The best source of biographical information is Mallock's own *Memoirs of Life and Literature*, (1920); see also the entry in the *DNB 1901-1950*. There is also useful material in J.M.Patrick, "Introduction" to *The New Republic*, (Gainesville, Fla. 1950), and John Lucas, "Introduction" to *Ibid*, (Leicester, 1975).

important, and certainly the most prolific, Conservative propagandist of the era, constantly assailing his two favourite targets, Socialism and Atheism.¹¹

I shall deal with Mallock's religious studies only to the extent that they informed his political work. For the most part I shall attempt to reconstruct his Anti-Socialist ideology, which was the most formidable and considered attempt by a Conservative to come to terms with Socialism in the pre-war period. At the heart of Mallock's Conservatism was the conviction that Conservatives urgently needed to devise novel defences of social and economic inequality in the face of the democratic challenges posed by both Radicalism and later by Socialism. He rejected the Tory appeal to tradition to legitimise existing inequality, maintaining instead that Conservatives had to mimic the methods and concerns of their opponents and produce a 'scientific' Conservatism. Mallock is important not only because of the size of his corpus of work, but because he exemplifies more clearly than any other contemporary the Conservative attempt to come to terms ideologically with industrial and financial capitalism at the time when they were becoming an increasingly important political supporters of the Conservative Party.¹² In his defence of the entrepreneur and the manager Mallock presented a powerful reply to the Collectivist critique of the rentier class, which can perhaps be seen as the most potent argument in the Left's repertoire in this period. One might see certain analogies with the contemporary works of the Continental elite theorists, Pareto, Mosca, and Michels, with Mallock discarding the traditional Individualist concern with

¹¹ I shall deal with Mallock's works on religion only in passing as his arguments did not greatly impinge on his critique of Socialism, though the reasons for this omission are interesting. For Mallock's Christian apologetics, see Maurice Cowling, *Religion and Public Doctrine in Modern England*, volume 2, (Camb.1984), pp.296-308, and John Lucas, "Tilting at the Moderns: W.H.Mallock's Criticisms of the Positivist Spirit", *Renaissance and Modern Studies* X, 1966, pp.88-143.

¹² See James Cornford's classic article, "The Transformation of Conservatism in the late Nineteenth Century", *Victorian Studies* 7, 1963-4. Unfortunately Cornford only touched on the ideological aspects of this phenomenon.

liberty, justice and the role of the State and offering instead a more realistic anthropology of industrial society.

Mallock had first become aware of the intellectual deficiencies of existing Conservatism at the outbreak of the land agitation in the early 1880s. He saw it mainly as a cynical attempt by bourgeois Radicals like Chamberlain and Labouchere to erode the moral legitimacy of the landlords for sectarian political advantage. But behind these *frondeurs*, Mallock was aware of a deeper intellectual malaise, exemplified by the 'Positivists' (a term he used rather promiscuously to include both 'Comtists' like George Eliot and Frederic Harrison, and scientific naturalists like Tyndall and Huxley). 'Positivism' was not only proposing a purely secular ethics but claiming that it would also be a democratic one; the inevitable result of broad sociological and historical trends. The political claims of the democracy were thus beginning to acquire a 'scientific' justification from such Radical intellectuals. The major task of an informed Conservatism was to show that inequality was not a contingent but the necessary feature of any successful society, and that it was in the interests of the many to accept this fact. But Mallock was dismayed when he witnessed the propertied class's reaction to Henry George's 'scientific' criticisms of private land ownership, many Conservatives implicitly accepted his criteria as valid and responded either with pessimistic inertia or threats of repression. Mallock gloomily observed:

When our modern revolutionaries talk of the laws of progress, of sociology, of social evolution, of the true bases of government, and of the rights and powers of the people, of education, of heredity, of equality, of equality of opportunity, and declare that their views represent what the world recognises as science, our Conservatives, instead of replying with any railing accusation, accept the statements as being in the main true.¹³

This intellectual ignorance could no longer be passed off as an erudite Tory scepticism, as it would alienate the Conservatives from the democratic electorate; on the other hand, the ill-founded opportunism of Tory

¹³ "Science and the Revolution", (1889) repr. in *Studies of Contemporary Superstition*, (1895), p.205. Cf. *Social Equality*, (1882), pp.22-23.

Democracy had to be avoided as giving too many hostages to fortune. Conservatives had to become a party of "'education' which every year will become more and more essential...by education I mean knowledge of the conditions of contemporary life, the principles which underlie production and distribution, and the general relation of one class to another."¹⁴ Some of the claims, Mallock insisted, made for democracy were historically true; there was legal equality, growing political equality and an increasingly affluent working class. Conservatives needed to fully recognise the legitimate claims of the latter, whilst deflating the exaggerated claims of democratic doctrine. He put this point forcefully:

We can defeat ideas, but we cannot defeat facts, and since English democracy is the necessary consequence of facts, the moral for Conservatives is that they must accept democracy, and not affect to ignore or denounce it. They must realise...that old-fashioned Toryism is impossible, and that it is impossible for the final and simple reason that old-fashioned England no longer exists.¹⁵

Democracy was a social and historical fact, rather than an ethical or political doctrine, and thus capable of being tempered by psychological and cultural facts; it therefore had to be met and subverted on the basis of its own assumptions, rather than by appealing to prescriptive wisdom. Mallock therefore insisted that Conservatives had to offer reasons for their beliefs and interests instead of relying on sentiment and tradition. This fact owed less to the sophistication of the electorate than to the fact that it was basically semi-educated, ever eager to adopt a doctrine dressed up in an attractive pseudo-scientific way, but whose real appeal lay in satisfying their cupidity. Conservatives had to show these ideas to be "false, not merely because the upper and middle classes are shocked by them, but because they are founded on scientific falsehoods."¹⁶ The Conservative party thus had to take up an educative role because "[e]very false theory, any

¹⁴ "Conservatism and Democracy", *QR* 176, January 1893, p.281.

¹⁵ *Ibid.* pp.262-3.

¹⁶ *Property and Progress* (1884), p.86.

false or garbled set of statistics, which is left unchecked to develop itself, must be regarded as the possible germ of some malignant political fear."¹⁷

The advantage of democratic politics was that usually the masses respected demonstration of schemes and plans, because each person believed that he had a material stake in the outcome:

(T)he degree to which a man is a democrat or not a democrat, depends no longer upon any abstract principle, but on the opinion he has formed as to the common practical matter, as to the ease or difficulty of making an enormous multitude of changes.¹⁸

The traditional concern with 'condition of the people' thus required updating: "Conservatism doubtless means more than the material well-being of the people; but it means the material well-being of the people first, and everything else afterwards."¹⁹ The ideological basis of this appeal was not however traditional paternalism but 'scientific', later 'economic,' Conservatism; as Mallock outlined it, "the creed of economic Conservatism is this -- that the existing structure of society is capable of modification and adjustment, and may then be capable of improvement to an indefinite extent, but that it is not capable of being altered fundamentally; that to alter it fundamentally would be to destroy society."²⁰ Underlying this vague definition was the claim that existing social and economic inequalities worked for the benefit of all, and were disproportionately favourable to the working classes; that redistributionist democracy contained the seeds of its own dissolution; and "that every civilisation that has ever existed in the world has been begun against the will of the majority of the human beings concerned in it; and when modern Democrats look back at the past, and

¹⁷ "Radicals and the Unearned Increment" *NR* 13, March 1889, p.73.

¹⁸ "Go Ye and Teach: a Hint to Political Organisations", *NR* 10, Dec.1887, p.479.

¹⁹ "Conservatism and Socialism" *NR* 2, Jan.1884, p.702.

²⁰ "The Social Remedies of the Labour Party" *FR* 53 n.s., April 1893, p.508.

declare that the history of it is one long history of oppression they are simply bearing witness to the truth of this fact."²¹

As these conclusions would be difficult to defend in a democratised polity, there was a need for a change in the way Conservatives presented their ideas:

The worst of the matter is that the principles we desire to repopularise are as damping to popular optimism as they are essential to popular welfare. To render them attractive, at first sight, is hopeless...Since we cannot make them attractive, we must endeavour to make them obvious. We must so arrange..and press into service such examples and illustrations that even the most unwilling shall be unable to elude our conclusions.²²

The answer to the Radical claims of human equality would not be a practical scepticism but a straightforward refutation using the same methods as his opponents. This concern for 'rational' explanation was untypical of Conservatism and perhaps requires further explanation; there were some analogies between Mallock's ideas and the conservative evolutionism of Maine, with its argument in favour of the functional necessity of the oligarchy, but it is the differences between Mallock and his Conservative contemporaries that stand out. The attenuated sense of history in Mallock and its replacement with pseudo-scientific observation is probably closer to the more elaborate social theories of Spencer though Mallock's were of course much cruder. In his earliest work he attempted to demonstrate the inevitability of inequality with a 'missing science' of psychology.²³ Although this idea was soon discarded, Mallock continued to deal with inequality in a rigid and schematic manner, convinced of the explanatory power of 'science'.

Mallock had recognised the rhetorical power of science in his dealings with 'Positivist' attacks on revealed religion. Whilst he insisted that the

²¹ *Social Equality*, (1882), p.177.

²² "How to Popularise Unpopular Truths", p.226. Mallock's love of statistics and diagrams is recounted in his *Memoirs*, pp.140-4, 159-60.

²³ For the 'missing science' see "Civilisation and Equality" *CR* 40, Oct.1881, pp.651-72; "A Missing Science" *CR* 40, Dec.1881, pp.934-58, *Social Equality*, chaps IV and V.

ultimate justification for divine existence was not capable of scientific demonstration, he fully accepted the claims of science in its own sphere of experience. The main task of science was critical rather than emancipatory as the 'Positivists' had claimed, and it was inappropriate to draw on it for moral guidance to dignify political aspirations with false scientific 'proof' as Radicals had done. On this point the projects of the secular and political Radicalism diverged:

The difference in character between the two movements is this; that whereas the religious movement was professedly a protest of reason and evidence against superstition, the socio-political movement is a protest of superstition against reason and evidence.²⁴

However far from discarding 'scientism' Mallock invented a version of his own to account for the 'laws' of human motivation, which would disprove the democratic claim that human capabilities were basically similar. In particular he wished to refute any idea that such a goal was achievable by legislative means. The need for such hard 'scientific' evidence was necessary because of the peculiar underlying intellectual and emotional commitments of post-Christian Radicalism:

The negation of a God and a future life gives a harsher aspect to the darker side of civilisation, and this creates a desire for reforms that would otherwise be unimportant. By making morals relative solely to social expediency, the area for reform, or at least change, is widened and the dignity of reform is increased.²⁵

The demise of the religious sanction underlying civilisation could only be plausibly replaced on a Radical interpretation by the secular superstition of the fundamental equality of mankind, but as evidence for this was scarce, the aspiration legitimised the endless reformism of Radicals and Socialists. This was a typical conservative criticism; where Mallock was novel was in

²⁴ "How to Popularise Unpopular Political Truths", p.224.

²⁵ "John Morley and Progressive Radicalism", *QR* 168, Jan 1889, p.256. It might be worth commenting however on how unusual Mallock's justification of 'selfishness' was in relation to the 'altruistic' concerns of contemporaries, as Stefan Collini points out in an interesting essay on this subject: "Victorian moralists exhibited an obsessive antipathy to selfishness...", "The Culture of Altruism" in *Public Moralists*, (Oxford 1991), p.65.

his application of it to contemporary sociology and psychology. The normative assumption behind Radical sociology was simple:

Admitting that hitherto inequality and civilisation have gone together, modern Radicalism teaches that their connection is accidental, not necessary; and its dream for the future is to unite what have hitherto seemed incompatible, the amenities of progressive civilisation with the equalisation of stagnant savagery.²⁶

Mallock identified such an egalitarian rationale, intentional or otherwise, in the work of sociologists like Mill, Buckle, Spencer and Kidd. Their explanation of social institutions had been founded on a psychological reductionism which treated human capacities and abilities as basically of equal value in the creation of such institutions ; as a result the achievements of that society were believed to be the product of the social aggregate, and not to the unpredictable contributions of exceptional individuals:

Nearly all socialistic and ultra-democratic reasoning of today, which claims to possess any scientific authority, rests on the theory that whatever is achieved within any social aggregate is the product of that aggregate. Its arts, its inventions, its progress, its economic wealth are declared to be the products of the aggregate taken as a whole, the assumption being that each unit of the aggregate plays in the production an approximately equal share.²⁷

Mallock's initial intellectual frame of reference was derived from Buckle, (which might explain Mallock's very limited use of the evolutionary metaphor in his sociology). Buckle's social theory, presented in his *History of Civilisation in England* (1857-61), had tried to explain historical change in

²⁶ "The Philosophy of Conservatism", *NC* 18, Nov.1880, p.741.

²⁷ "Mr. Herbert Spencer in Self-Defence", *NC* 44, August 1898, p.326. Mallock claimed that Spencer's social theory did not support his Individualist conclusions because it took inadequate notice of individual differences. Spencer denied this charge, see Spencer to Mallock 30 Jan. 1898, D.Duncan, *Life and Letters of Herbert Spencer*, pp.407-8. Mallock argued that Spencer was a methodological collectivist; in *A Critical Examination of Socialism* (1908) p.101, he describes Spencer's views thus: "Each social aggregate...is a single animal; and whatever is achieved or suffered by any class or individual within it, is really achieved or suffered...not by the class or the individual, but by the corporate animal, the community." For a strong statement of Mallock's methodological individualism see his critique of Benjamin Kidd, "Mr Kidd on Civilisation" *QR* 195, April 1902, pp.617-35.

terms of materialist determinism. By a rigidly deductive process of reasoning, he tried to trace all actions to their antecedents to establish 'laws' of social movement. These antecedents were seen essentially as environmental factors, which could be comprehended in the form of statistical generalisations. Such an approach would establish the long-term regularities of human activity at the expense of individual freewill and differentiation. At the same time Buckle tried to give an account of human progress which emphasised the growing significance of 'intellectual' factors rather than the influence of ethics. Although no revolutionary, Buckle's conclusions had a strongly egalitarian bias, reducing individual differences in ability to short term disturbing factors; added to this Buckle's Radical convictions were manifested in his argument that long term historical developments would inevitably undermine the existing ruling class.²⁸

Buckle's sociology was intended to have meritocratic conclusions, whilst Mallock, given his ideological commitments, was hostile not only to equality but also to equality of opportunity, so his Conservatism required a defence of environmental as well as congenital inequality. His 'missing science' of human character sought to entwine the two, showing that the existence of great external inequality was functionally necessary for differential efforts in wealth creation. Thus the 'leisure class' was as legitimate as the entrepreneurial, because it stimulated the expansion of the latter. By this Mallock meant more than the banal point that such wealth had a great incentive value, but the more radical one that its existence stimulated a process of thinking about new forms of wealth in the minds of the entrepreneurs. The core of his doctrine was a denial that social progress could ever be the product of intentional designs by either intellectuals or bureaucrats.

²⁸ For Buckle, see T.W.Heyck *The Transformation of Intellectual Life in Victorian Britain* (1985), pp.133-37; P.J.Bowler, *The Invention of Progress*, (Oxford 1989), pp.27-32.

Mallock's idea of the 'missing science' does not require to be discussed in any detail, suffice to say that it was insufficiently developed. It is however important to note that it was essentially concerned with motivation, and claimed primacy for the human will over the external environment in determining efficient actions. Mallock's conception of psychology was traditional in his insistence on innate qualities. He emphasised that free action of individuals was more efficient in realising desired aims than environmental reformism, and there is little suggestion of an evolutionary process at work in selecting the most efficient motivations. Individuals are fundamentally different and this difference lies essentially in different mental capacities, little external improvement can affect this and it does not appear that such qualities are hereditary; "Motive acts upon the individual only. In the joint action of the masses, there is no fusion, except metaphysically: what there is is coincident."²⁹

Such a view was far removed from the organic and communitarian theories of social psychology underlying the New Liberalism,³⁰ and also with 'external' conceptions of Social Darwinism. Mallock was a dogmatic methodological individualist, reducing all social relations to the beliefs, relations and actions of congenitally different individuals. This becomes a useful strategy for arriving at an 'iron law of oligarchy', demonstrating the regularity of outcome from unequal endowments but with little to say about the actual mechanism by which individuals are able to realise their will -- Mallock gave no account of how unequal environmental factors *must* maximise the optimal motivations. It is not therefore clear how Mallock could prove that any redistribution of wealth necessarily fails to redistribute motive.

²⁹ "A Missing Science", p.946.

³⁰ Just how different can be gauged from M.Freeden, "Hobson's evolving conceptions of human nature" in M.Freeden ed., *Reappraising J.A.Hobson* (1990), pp.54-73.

Mallock thus argued that the main motivations to effort are the desires for wealth and more especially power; "I use the word *property*...in a wider sense than usual, meaning by it not only material possession, but power and consideration also."³¹ Oligarchy might take numerous forms, religious, political, and military, but it was the economic form which now predominated, driven on by the need to improve self-sufficiency. To the extent that an evolutionary process could be observed it was not towards the diffusion of skill and the democratisation of industry, but to the ever-developing specialisation of function, which demanded hierarchical coordination.³² Democrats thus had to recognise that "'social equality' was a radically erroneous formula, the various efforts to which wealth is due being not only essentially unequal in themselves, but only susceptible of stimulus by the influence of unequal circumstances."³³ Radical reformers wrongly saw social structure as the product of social institutions which suggested that it was the product of the intentional and reversible actions of particular groups, whereas in fact society's institutions basically reflected its unequal social structure, severely limiting the scope for reform.

Mallock traced this argument to the bourgeois Radicals like Chamberlain and Labouchere who were arguing for the abolition of large landlords and the House of Lords as bastions of unwarranted privilege.³⁴ This ambition would have been understandable, Mallock argued, if they wished to replace them with institutions compatible with their own meritocratic view of society. However they attacked 'privilege' in the name of democracy, not in terms of a new form of 'privilege', which in effect was

³¹ "Philosophy of Conservatism", p.742.

³² See the arguments against economic democracy (even within capitalism) in "Conservatism and the Diffusion of Property" *NR* 11, May 1888, pp.383-404.

³³ *Memoirs of Life and Literature*, p.136.

³⁴ See "Radicalism and the People" *NR* 1, March 1883, p.105; "Their quarrel is not with property, but with certain privileges...attached to certain kinds of property."

what their wealth was. This type of Radicalism was intended to minister to a 'residuum' of the middle classes who had not been incorporated into the existing social structure, and thus represented a diseased branch of the oligarchy: "What excites the Radical is a condition of society in which he must always have superiors; and it is with these superiors that his imagination busies himself."³⁵ The source of this resentment was primarily 'biographical,' not intellectual; Mallock thus contended:

The Radicals ...belong to a class which has never been able to form any definite idea of its own social position....which shall at all harmonise with the realities of its antecedents and surroundings, and, in the absence of any definite and established ideas of the kind, its sense of its own claims and its own importance has nothing whatever to guide, to restrain or to sober it.³⁶

He maintained that "the importance of Radicalism is not in its form but in its spirit."³⁷ Radicalism of the Chamberlain variety was an anachronistic and disingenuous form of sectarianism and in no sense a precursor of 'socialism'. In this it differed from popular Radicalism which was indeed a form of socialism; "Our modern English Radicalism, in so far as it appeals to the people, is nothing more than an unavowed and undigested socialism."³⁸ This had been misunderstood by 'populists' like Chamberlain, who failed to see that industrial capital was a more plausible target for the people than landed property:

Discontented themselves, they find it easy to make the people discontented also, the discontent they thus find they can rouse, seems to them to be the same discontent as their own and from the belief that they are at one with the people in the hatred of rank, grows the belief that the people are at one with them in the respect of property.³⁹

³⁵ "Radicalism: a Familiar Colloquy" *NC* 9, March 1881, p.419.

³⁶ "The Radicalism of the Marketplace", *NR* 1, June 1883, p.525.

³⁷ "Radicalism and the Working Classes" *NR* 2, Sept. 1883, p.143.

³⁸ *Property and Progress*, p.92.

³⁹ "Radicalism and the Working Classes", p.131. Cf. "Conservatism and Democracy" p.261: "Just as the new middle classes have no traditions of rule, so the new masses have no traditions of obedience."

However it was altogether mistaken to see such Radicals as the allies of Socialism,⁴⁰ at the same time they differed in kind not in degree from mainstream Liberals.⁴¹ This being the case, the strength of the Radical politics that emerged after the 1880 election was unlikely to endure; "the passions and the principles which such Radicals as Mr.Chamberlain are appealing to, must in the end, if fully aroused, and acted on, prove altogether fatal to such Radicalism as Mr.Chamberlain's."⁴² The main danger was that the propertied classes would become demoralised in the face of 'internal' squabbling before Socialism had established itself.

By the late 1880s the question of political Radicalism was exercising Mallock rather less than the more credible egalitarianism of the nascent Socialist movement.⁴³ Some students of Mallock's Conservatism have noticed a discrepancy between his critique of bourgeois Radicalism and his later strident Anti-Socialism; they note in the former evidence of a traditional Tory paternalism and in the latter an Individualism *pur sang*. The obvious contradiction between the two positions left Mallock unable to produce a 'constructive' alternative to Socialism in a democratic polity, and it is for this reason that Mallock appeared to be without importance in the 'Tory tradition'.⁴⁴ In fact Mallock's anti-egalitarianism constituted the basic

⁴⁰ Cf. "Radicalism and the Working Classes", p.139: "Many timid people regard the Radicals as Socialists. There they are wrong. The Radicals..in their real wishes and intentions, hostile as they are to the Conservatives, are far more like Conservatives than Socialists."

⁴¹ "Philosophy of Conservatism", p.733.

⁴² "Radicalism and the Working Classes", p.130.

⁴³ This change in direction can be traced back as early as 1884 with the attack on Hyndman in *Property and Progress*.

⁴⁴ A.V.Tucker claims there was a Radical break in Mallock's thought in the late 1880s: " To a degree, his practical and religious ties were leading him to associate the aspirations of conservatism with those of socialism...but..(h)aving arrived at the point of view of...a Progressive Tory, he changed course. In doing so, he destroyed the possibility of developing his ideas into an effective whole.", "W.H.Mallock and Late Victorian Conservatism", *University of Toronto Quarterly*, 31.2, Jan.1962, p.233. See also D.J.Ford, "W.H.Mallock and Socialism in England 1880-1914" in Brown, *Essays in Anti-Labour History*, p.318-42. I would challenge this view by arguing that Mallock's ideological intentions were more consistent than Ford and Tucker

consistency in his thought. He disliked political Radicalism because it distracted attention away from the basic issue in modern society -- the general level of affluence and efficiency in a society. This was a most unTory concern and his sympathy with Socialism was that it too identified this consideration as fundamental, although it proposed the wrong solution:

With regard..to Socialism, what is the position of Conservatism? I have no hesitation in saying of the great primary instincts, the great primary principles which are appealed to and perverted by the leaders of Socialism...are the great primary instincts and..principles which underlie all true Conservatism.⁴⁵

In the next section I shall examine how Mallock debated these 'great primary principles' with the Socialists.

(III) Mallock's Critique of Socialism.

Mallock's treatment of Socialism operated on a number of levels. Like most of his contemporaries he regretted the indiscriminate labelling of different ideas as 'socialist'; he regretted that it was a "word, which is by many people used in senses so vague and so contradictory, as often to deprive it of all arguable meaning."⁴⁶ Mallock however refused to see Socialism as devoid of a specific ideological core, believing that it was essentially distinguished by a theory of *production*. Unlike neo-Radicalism, it had a distinct theoretical foundation and a more realistic appreciation of

allow. For all his idealisation of the country house gentry in his novels, Mallock is never anti-bourgeois in the style of some Tory paternalists. In the early *National Review* articles, his ire is directed only at the political corruption of a small section of the middle classes, the Radicals, whose bogus populism encouraged the spread of egalitarianism. It must also be remembered that these articles were more partisan than others Mallock wrote at the same time because of the political needs of the *Review*, and there is little of the 'Progressive Tory' about *Social Equality*, (1882). Mallock never ruled out social reform as long as it preserved necessary inequalities, although the Socialist threat caused him to downplay reformist sentiment this remained his basic outlook in all his work; the dualism noted by Ford and Tucker is thus largely imaginary.

⁴⁵ "Conservatism and Socialism", pp.701-2.

⁴⁶ "Fabian Economics" in *Studies in Contemporary Superstition*, (1895), p.232.

democracy; it would be Conservatism's main ideological opponent in the near future.

Mallock parted company from classical Individualism by practically ignoring the threat of 'legislative Socialism' -- i.e. the New Liberal policy of redistributive taxation and the restriction of 'freedom of contract', which had so exercised the Spencerians. The challenge of Socialism for Mallock was strictly in terms of the superior efficiency and productivity of an oligarchic *versus* a democratic system of production; the division between the two systems was fundamental and irreconcilable. It was this view of Socialism as a coherent theoretical alternative which caused Mallock drop his anti-Radical rhetoric by the early 1890s as anachronistic. Thus socialism like capitalism was "not a religion" but "a property form."⁴⁷ Socialism was not synonymous with any type of state interference: "Although Socialism involves State control, State control does not involve Socialism."⁴⁸ Although Mallock had no sympathy with contemporary support for 'socialistic' interference, he also distanced himself from the minimal state ideal of the Individualists. His attitudes to the State varied according to the occasion, adopting a tactical sympathy with Socialists to embarrass bourgeois Radicals, sometimes simply recommending Individualism.⁴⁹

There was however a genuine attempt to distance Conservatism from straightforward anti-statism; as he insisted "[t]here is no question as to whether we shall be socialistic or no. We must be socialistic."⁵⁰ Although his views on social reform were wholly conventional and his belief in economic regulation was parsimonious, Mallock was not prepared to lay down strict *a priori* boundaries on interference. In one essay, he distinguished between

⁴⁷ *Ibid*, p.235.

⁴⁸ "The so-called Evolution of Socialism" in *Studies*, p.300.

⁴⁹ For example, *Social Reform*, (1914), p.376: "Conservatism...in which sense it is often called Individualism -- represents the right of individuals to property as justified by their concrete results."

⁵⁰ *Labour and the Popular Welfare*, (1894), p.295.

three types of 'socialism': 'incidental' socialism was the provision of genuine public goods; 'supplementary' socialism involved state assistance for desirable social ends such as education; Conservatives only needed to fight 'fundamental' socialism which threatened to revolutionise the system of production. With these categories in mind, Mallock held out the following optimistic prospect:

Conservatives may recognise [state action] as capable of indefinite, though not indiscriminate extension. There is no reason so far as fundamental principles go, that the most rigid economic Conservative should not outbid the Socialists in their endeavour to secure for the masses supplementary benefits from the State.⁵¹

He argued that Anti-Socialists needed to concentrate on the question of ownership of resources, stressing the politics of production not distribution, thereby meeting Socialist claims directly:

Socialism, regarded as a reasoned body of doctrine, rests altogether on a peculiar theory of production...a theory according to which the faculties of men are so equal that one man produces as much as another; or if any man produces more, he is so entirely indifferent as to whether he enjoys what produces or no, that he would go on producing it just the same, if he knew that the larger part would at once be taken away from him.⁵²

Mallock's understanding of Socialism was an elaboration of his earlier critique of democratic Radicalism; Socialism completed the democratisation of social philosophy with its egalitarian theory of production based on the labour theory of value. This theory, which Mallock attributed to Marxian Socialism, held that the enormous increase in modern productivity was due to an endogenous improvement in the quality of manual labour or 'skill'.⁵³ It reduced capitalism to a merely parasitical role, as it followed that the surplus value created by the more efficient division of labour owed nothing to the contribution of the capitalist. The theory had obvious attractions in a democratic society. Mallock's essential criticism was that the theory

⁵¹ "So-Called Evolution of Socialism", p.298.

⁵² *Labour and the Popular Welfare*, pp.291-2.

⁵³ See in particular the discussion in *A Critical Examination of Socialism*, pp.9-

misunderstood the dynamic aspect of the industrial division of labour, which was not the result of improved skills in the workforce, but the organisation, coordination and invention of such skills by capitalists engaged in producing new products for an insatiable market. If the additional value of labour was due to 'skill' of the individual labourer then it was expressible in physically quantifiable terms, but the perception and alertness required to see the economic structure as a whole in order to identify a malallocation of resources and the means of improving on it, clearly was not. The labour theory of value was incapable of accounting for such functions, which were probably critical in modern economy. Socialists had forgotten the entrepreneur and invented a theory which abolished his role. Equally socialists had presented modern machinery as a form of 'congealed' (hence confiscated) labour, whereas it was due in general to the efforts of a small number of entrepreneurial inventors. Instead of the *division* of labour, Mallock contended, one should speak of a *graduation* of labour.⁵⁴

The vertical division of labour was thus the cause of modern productivity, and the key actors were the entrepreneur, the inventor, and the manager; each role demonstrating "the growing application of exceptional mental powers, not to the *manual labour of the men by whom these powers are possessed*, but to the *process of directing and coordinating the divided labour of others*."⁵⁵ This process was not capable of democratisation:

The maintenance of civilisation..depends upon two processes; the constant development of the higher forms of labour, and the intensification of the lower, and in each case equally the cause that operates is inequality.⁵⁶

The role of capital therefore was not purely passive and exploitative, even if the owners did not participate directly in the production process. However Mallock argued that mainstream economics had failed to emphasise the

⁵⁴ *Social Equality*, p.221.

⁵⁵ *A Critical Examination of Socialism*, p.27.

⁵⁶ *Social Equality*, p.248.

essential dynamism and unpredictability which lay at the core of the capitalist economy. Both the classical and the marginalist economists had tended to ignore the entrepreneur as an essential actor in the economic process; by concentrating on static paradigms of allocative efficiency, the coordinating and risk-bearing functions were rendered irrelevant:

In place of the living force, Ability....popular thought misled by a singular oversight of the economists, has substituted capital...and hence has arisen the dangerous illusion...that if the labourer could only seize upon capital, they would be masters of the productive powers of the country. The defenders of the existing system have been as guilty of this error as its antagonists; and the attack and defence have been conducted on equally false grounds.⁵⁷

Mallock was basically correct in believing that classical economics had ignored the entrepreneurial function. In the paradigms of Smith, Ricardo and Mill, the main functions of the 'capitalist' were to advance capital and to earn 'wages of superintendence' in managing the firm, and there was no differentiation between manual labour and activities which would later be termed entrepreneurial.⁵⁸ This was partly a result of seeing the productive process as automatic, with limited role for decision-making by enterprise directors, and emphasising instead the relative scarcity of the undynamic factors of capital, land and labour -- allocative efficiency was seen largely to take care of itself.⁵⁹ Neo-classical economics succeeded to some extent in modifying this static analysis by restoring the primacy of demand, but it also rather obscured the entrepreneurial role by emphasising the conditions

⁵⁷ *Labour and the Popular Welfare*, p.325. Cf.the remarks of Henry Sidgwick; "[The] completer analysis of the process of accumulating and employing capital, bringing into prominence inventive and industrial skill, is, I conceive, the latest important lesson for which Political Economy has been in some measure indebted to the controversy with Socialism." in "The Economic Lessons of Socialism", *Essays and Addresses*, pp.246-7.

⁵⁸ For Mallock's criticism of Mill on this point; "He confines under one heading the function of employer and employed -- of the men who lead in industry, and of the men who follow. He calls them all labourers, and he calls their work, labour.", *Labour and the Popular Welfare*, p.142.

⁵⁹ This view is particularly associated with Joseph Schumpeter; see his *History of Economic Analysis* (New York 1954), p.556.

of equilibrium which supported marginal productivity theory, suggesting in theory that the entrepreneur was dispensable.

Mallock criticised such economic theories which ignored the subjective factors of innovation and uncertainty; products of human action which were not predictable or quantifiable. He insisted that the term *economic* had to be used in a far wider sense to incorporate "the mind and the tastes, and the imagination of man, which are all factors in production and distribution of wealth [these] must be all included in the subject matter of economic science before that science can explain the phenomena with which it is confronted."⁶⁰ This outlook has strong connections with his earlier work on the 'missing science,' though Mallock never developed the concept further. In wealth creation motivation is all important; economic growth depends not so much on the productivity of the factors of production, but on their arrangement in conditions of change and uncertainty. The achievement of this end Mallock termed 'Ability', which became the distinguishing feature of his Anti-Socialism. It must be noted however that 'Ability' was a collective term for a number of economic roles, coined more for ideological convenience than analytic accuracy; it included:

the genius of the scientific discoverer, the ingenuity of the inventor, the critical shrewdness of the man who discriminates a useful invention from a useless one, and supplies or provides capital for putting it to use; or it may be the enterprise and tenacity of purpose that pushes a business and overcomes difficulties; or the gift of managing men, by which labour is economised; or it may be the..constructive imagination by which labour is directed to the accomplishment of new ends.⁶¹

With limited grounding in academic economics, Mallock failed to give an account of the economic process which successfully isolated the

⁶⁰ "The Social Remedies of the Labour Party", p.510. For Mallock's subjectivist view of wealth creation see "The Functions of Wealth", *CR* 41, Feb. 1882, p.207: "(Wealth) develops human nature; it develops all the sleeping talents, energies, ambitions and ingenuities, by which man is distinguished from the animals, and by the degrees from each other."

⁶¹ "Who are the Greatest Wealth Producers?" *North American Review*, 156, 1892, p.655.

entrepreneurial role from that of the capitalist and manager. This was to prove important because the Socialists had attempted to come to terms with the latter two functions, but not the former. Mallock described how entrepreneurs acted, but not why they acted as they did: "Ability...consists in what may be called exceptional gifts of character, quite as much as in exceptional gifts of intellect. A sagacity, an instinctive quickness in recognising the intellect of others, a strength of will that sometimes is almost brutal, and will have to force a way for a new idea."⁶² These qualities allowed the men of Ability to coordinate production by organising the tasks of a vast number of under-workers, as such it would be as necessary to a socialist as a capitalist economy. Unlike 'skill' which was particularisation, Ability was an inter-personal phenomenon:

The fundamental difference...lies in the following fact: that Labour is the kind of exertion on the part of the individual, which begins and ends with each separate task it is employed upon, whereas Ability is a kind of exertion on the part of the individual which is capable of affecting simultaneously the labour of an indefinite number of individuals and thus hastening or perfecting the accomplishment of an indefinite number of tasks.⁶³

Skilled labour was not a progressive force as its skills were only learnt at the command of Ability which already had conceived of the value of the end-product. Ability was however more than successful organisation of labour within the enterprise. It is also conceptually distinct from the initial contribution of capital. The income of Ability is justified as being more than either interest on capital or wages of management; it earned "pure profits" by capturing income by identifying malallocations of resources either by introducing new techniques and inventions into the system or by bearing the risks in conditions of disequilibrium -- it *creates* wealth which could not be predicted. Capital itself did not in itself provide the key to modern productivity, it simply enables the most efficient men to carry out their

⁶² *Labour and the Popular Welfare*, p.212.

⁶³ *Ibid.*, p.145.

projects successfully; as Mallock put it "Capital is Ability guiding and controlling Labour."⁶⁴ The functions of the capitalist and the entrepreneur were thus separate.⁶⁵

With control of wage capital, Ability possessed access to the necessities of life, and could therefore force Labour to perform the requisite tasks. Thus Mallock concurred with Socialists who saw capitalism as a monopolistic system and he rejected many of the nostrums of Individualists who wished to modify wagedom by introducing co-partnership and cooperation. Indeed Mallock differed from many Conservatives in his unequivocal commendation of wage-labour; "the great moral to be drawn..is that if any one institution in the world threatens to be permanent, (it) is the

⁶⁴ *Ibid.*, p.151. For similar criticisms by the Duke of Argyll, another Anti-Socialist writer who wished to restore the ideological prominence of the entrepreneur, see his *Unseen Foundations of Society*, (1893), p.461, on the inadequacy of the contemporary definition of 'capital' as "the passivity of past residues, and of accomplished facts...(whereas) capital is nothing but one of the tools in the hands of living and thinking men."

⁶⁵ It was sometimes alleged that Mallock had borrowed his idea of 'Ability' from the work of Francis Walker, an American neo-classical economist, whose work was influential in the late-nineteenth century. Walker popularised the idea of 'rents of ability' as a separate factor of production, and he argued that even in conditions of perfect competition there would still be differentials in profits because of innately superior business qualities. Furthermore in most cases profits were deserved because they represented superior rents of ability over a marginal [and hypothetical] 'no profit' employer', devoid of business ability. These profits did not enter prices and did not involve exploitation of labour -- they were 'pure' profits. As Walker put it: "...these profits consist wholly of wealth created by the individual employers themselves, over and above the wealth, which would have been produced, in similar industrial enterprises, by the same labour -- force and capital -- force under the control of employers of less efficiency." *Political Economy*, (1888), p.250. Walker thus stressed the centrality of the entrepreneurial role; "The employer, the entrepreneur, thus rises to be the master of the situation. It is no longer true that a man becomes the employer of labour because he is a capitalist. Men command capital because they have the qualifications to employ labour. To men so endowed, capital and labour alike resort, for the opportunity to perform their several functions and to entitle themselves to share in the product of industry." *Ibid.* p.233. Walker was one of the Fabians' main antagonists in the late 1880s, and his idea of rents of ability greatly influenced them, though they reached different conclusions, see David Ricci, "Fabian Socialism: a Theory of Rent as Exploitation", *JBS* 9, 1969, esp.pp.105-9. Mallock denied the charge that he had plagiarised Walker's work, *Critical Examination*, p.191n., and his indifference to marginalist economics suggests that his debt was purely rhetorical at most.

wage system,"⁶⁶ and he did not dodge the authoritarian implications of this view:

The entire industrial progress of the modern world has depended on, and depends altogether on ...obedience being secured; and the possession of wage capital by the employing class is the sole means which is possible in the modern world of securing it....Obedience of some sort is a social necessity now as ever, and always must be; but social necessity spoke merely to the fear of the slave; it speaks to the will and reason of the labourer.⁶⁷

It thus followed that "Ability is...a narrow natural monopoly."⁶⁸ Mallock contended following the conclusions of his psychological doctrines that this scarcity was inherent and largely unconstrained by historical and environmental factors. The market process allowed to some extent for a circulation of elites but this was a process of mobility for remarkable individuals not new social groups.

The nature of this oligarchy was however easily misunderstood -- Mallock claimed it did not encompass the usual intellectual and moral virtues of classical elites; it "excludes all kinds of cleverness unapplied to economic production."⁶⁹ Its value was purely utilitarian; "greatness as an agent of social progress has nothing whatever to do with what a man is, except in so far as it enables him to do what he does."⁷⁰ Such sentiments marked a radical break with the cultural elitism of early nineteenth century conservatism, with Mallock insisting that it was altogether an illusion to believe that the elite would be "of distinguished birth, of culture, of command in knowledge and a high sobriety of intellect."⁷¹ Such men would not be satisfied with rewards of the Carlyean hero: "The man who longs for

⁶⁶ *Aristocracy and Evolution*, (1898), p.173; see also *Critical Examination of Socialism*, p.38.

⁶⁷ *Labour and the Popular Welfare*, p.128.

⁶⁸ *Ibid.*, p.229.

⁶⁹ *Critical Examination of Socialism*, pp.33-34.

⁷⁰ *Aristocracy and Evolution*, p.121

⁷¹ *The Limits of Pure Democracy*, (1918), p.385. Mallock accepted that most businessmen were indeed "narrow minded, uncultivated and contemptible in general conversation." *Aristocracy and Evolution*, p.123.

truth unravels the laws of electricity; but it is the man who longs for a fortune who lights Charing Cross with it."⁷² The mundane nature of Ability's rewards derived directly from the fact that the gap between the motive to produce and the nature of the finished product was becoming ever more remote; the more common a good, the less it was valued. Mallock could thus dismiss the alternative incentive schemes laid down by Socialists as irrelevant, wealth was an object of power and this helped to explain the continuing attraction of a 'leisure' class', most of whose members possessed no Ability.⁷³

Mallock was prepared to concede that excessive inequality did have disincentive effects on occasions, but he was dismissive of attempts to artificially influence the selection of Ability. He rejected the arguments for educational equality of opportunity until late in life, with a typically conservative fear for social cohesion, believing they stimulated expectations which could not by their nature be fulfilled.⁷⁴ As already noted, Mallock did not believe that 'Labour', defined as manual labour, added value to products directly.⁷⁵ This suggested that 'Ability' itself was a factor of production, which earned an identifiable part of the product. Mallock appeared to believe that this was the case, but did not substantiate it with an account of the distributive mechanism -- however this approach did allow him to claim that Ability's share was in a sense 'deserved':

Ability....constantly tends, as the income of the nation grows to play a larger part in its production...whilst Labour, though without it no income

⁷² *Social Equality*, p.159.

⁷³ *Labour and the Popular Welfare*, p.256. Mallock defends interest income on these grounds, see *Critical Examination*, pp.227-52.

⁷⁴ "Labour Unrest as a Subject for Official Investigation", *NC* 71, June 1912, p.1034. He later qualified this view: "The demand for equality of opportunity may, indeed wear on the surface of it certain revolutionary aspects; but it is in reality..a symptom of moderation." *Limits of Pure Democracy*, p.280.

⁷⁵ There are numerous examples of this argument, see, for example, "The Unrecognised Essence of Democracy", p.332; *Labour and the Popular Welfare*, p.150; *Aristocracy and Evolution*, pp.218-9; *Critical Examination*, pp.197-8.

could be produced at all, tends to produce a part which is both relatively and absolutely smaller.⁷⁶

Mallock was severely criticised for this view, although he never made strong claims for Ability on the grounds of distributive justice (though there is little doubt that he did believe that their profits were deserved.) Mallock accepted that the division of the total product was to be decided by a process of bargaining between Ability and Labour. It was in the interest of Ability to concede part of their own income to maintain social stability, but there were also quasi-ethical reasons for so doing. Labour could claim an above-minimum wage as compensation for the loss of autonomy entailed by the capitalist mode of production:

Labour, by submitting itself to the guidance of Ability -- no matter whether the submission was voluntary, which it was not, or gradual, unconscious, and involuntary, which it was, surrendered many conditions of life which were in themselves desirable, and has a moral claim on Ability to be compensated for having done so.⁷⁷

The apparent authoritarianism of the economic system was also softened by the fact that Ability was responding to social demands which were essentially 'democratic,' if not egalitarian in character. This extended not only to material goods, but ideas and beliefs as well.⁷⁸ These concessions were however limited; the degree of democratisation and redistribution in Mallock's conservatism was unusually restricted even by contemporary right-wing standards. He criticised the superficiality of many Conservative proposals for a diffusion of property amongst the working class -- such a view misconceived the nature of 'property'; thus he maintained that "property, if diffused amongst the labouring classes does nothing and can do nothing to prevent the majority of them being absolutely dependent on their labour. It loses altogether its magic property of giving them an 'independence.'" ⁷⁹ Labour really required the 'security' which Ability alone

⁷⁶ *Labour and the Popular Welfare*, p.200.

⁷⁷ *Ibid.*, pp.330-31.

⁷⁸ See *Limits of Pure Democracy*, p.351.

⁷⁹ "Conservatism and the Diffusion of Property" p.388.

could provide. Although Ability was subject to indirect social control, it was also true that the very nature of the concept demanded that it possess the discretion to carry out its projects as it liked. The wealth created was *its* wealth, hence the danger of imposing political controls on its action and he criticised social reformers who saw:

the wealth of...modern England (as) a marble column which will stand up erect for ever when once placed on a pedestal. What it really resembles in a column of water forced into the air by the action of complex and unresting mechanisms...which a careless or hostile blow might dislocate and...cause the column to collapse. All modern wealth, in short, in proportion as it is great is essentially artificial and precarious. This must never be forgotten.⁸⁰

It will be no surprise to learn that Mallock's doctrines drew very heavy criticism from the Left. Mallock had challenged, directly, practically all the main ideas of 'Collectivism' and insisted that they were self-defeating. Moreover Mallock's 'realistic' appraisal of capitalism was felt to be more formidable than the unrealistic interpretations of the classical Individualists. I shall thus examine the reactions of three prominent left-wingers -- Thorstein Veblen, George Bernard Shaw and J.A.Hobson.⁸¹ All of these writers rejected Mallock's elitism based on the claim that there was a fundamental division between Ability and Labour. Mallock, they claimed, had misdescribed the real sources of productive efficiency in the modern enterprise and they argued that the contribution of the entrepreneur and the organiser was inadequate to defend the actual rewards of the propertied classes. With the growing concentration of industry, they argued, it would be possible to separate the ownership and control of capital -- allowing the leisure class to live off other people's managerial skill.⁸² The evolutionary

⁸⁰ *Limits of Pure Democracy*, p.311.

⁸¹ For Shaw see "On Mr Mallock's Proposed Trumpet Performance", *FR* 55, 1894, repr. as *Socialism and Superior Brains*, (Fabian Tract 146, 1909); For Hobson, "Mr Mallock as a Political Economist", *CR* 73, 1898 pp.528-39; Veblen, review of *Aristocracy and Evolution* in *Journal of Political Economy* 6, 1898.

⁸² Scathingly put by Shaw; "The notion that the people who are now spending in weekend hotels, in motor cars, in Switzerland, the Riviera and Algeria the

tendencies of industrialism pointed to a diffusion of power through the enterprise based more on technocratic than commercial criteria, with the growing rationalisation and predictability of production, so the scope for entrepreneurship would diminish until collectivist planning was established (this was not however Hobson's view). This view was strengthened by Mallock's failure to adequately differentiate the functions of the capitalist, entrepreneur and the manager, but it also demonstrated the underlying faith of contemporary Collectivists that future production could largely remove uncertainty and discoordination.⁸³

Veblen criticised Mallock for undervaluing the diffusion of knowledge within an enterprise, claiming that much of what passed for Ability was in fact technically ignorant:

[T]he counting house activity of the businessman, who frequently does not, and pretty uniformly need not, have any technical knowledge of the industry that goes on under his hand. His relation to the mechanical processes is always remote, and usually of a permissive kind only -- he delegates certain men, perhaps at the second or third remove, to assume discretion and set certain works in motion, under the guidance of technical knowledge possessed by them, not by him...it is a bold move to call this productive efficiency under the definition set up by Mr Mallock.⁸⁴

Shaw attacked Mallock on the grounds that his conception of Ability was defined in such a way as to deprive it of any analytic content. He contrasted this with the supposedly superior Fabian theory of rents of ability, which

remarkable increase in unearned incomes...have ever created anything, ever directed anything, ever even selected their own investments...betrays not only the most rustic ignorance of economic theory, but a practical ignorance of society so incredible in a writer of Mr Mallock's position that I find it exceedingly difficult to persuade my fellow Socialists that he really believes what he teaches." *Socialism and Superior Brains*, p.3.

⁸³ See for example Hobson, *The Evolution of Modern Capitalism*, (1894, 1926), pp.421-2: "To future generations of more highly evolved humanity the peculiar barbarism of our age will consist in the fact that the major part of its intelligence, enterprise, genius, has been devoted to the perfection of the arts of material production through technical means..Industrial progress will undoubtedly be slower under state control, because the very object of such control is to divert a larger proportion of human genius and effort from these occupations and to apply them in producing higher forms of work.."

⁸⁴ Cited in J.Dorfman, *Thorstein Veblen and his America*, (NY.1961), p.148.

was derived from marginal productivity theories. The Fabians believed that their recognition that superior managerial and organisational skill could claim a reward, which was analytically separate from returns on capital, was a significant advance on existing socialist theories. However they also challenged the legitimacy of such rental gains in existing capitalist society as monopolistic and exploitative; the result of a failure of competition due to entrenched social inequalities.

'Rents of ability' were inflated in contemporary society because of unequal access to resources and because of irrational status differences which sustained inequalities of wealth -- for example the high fees enjoyed by professionals servicing the leisure class. Shaw claimed that the Socialist State could avoid such wastage by planning production, so that it would be relatively easy to identify the marginal contributions of capital, labour and ability, and furthermore the State's role in expanding social opportunities through the educational system, would gradually diffuse ability through society. With uncertainty and malallocation diminished, the conduct of enterprises would become straightforward and the manager's role similar to that of a senior civil servant. Thus it is society's "business from the commercial point ..to get the use of ability as cheaply as it can for the benefit of the community, giving the able man enough advantage to keep his ability active and efficient."⁸⁵ The problem with Shaw's conception of 'ability' was that it viewed it as essentially managerial rather than entrepreneurial; in other words it tended to assume away the skills required to exploit uncertainty by reorganising factors of production in innovative and efficient ways. Instead it offered a more static paradigm of the economy, where complex skills require differential rewards for performing known, and largely routine functions.

⁸⁵ *Socialism and Superior Brains*, p.9.

Hobson accused Mallock of being "afflicted with the mental disease of individualism."⁸⁶ He denied that capitalist industrial production was necessarily individualistic, based on competition and domination.⁸⁷ Instead he argued that the improvement in the intellectual and economic position of the working classes necessitated some form of industrial democracy. Hobson saw existing capitalists as essentially parasitical, owing their position to inheritance rather than efficiency, and claimed the most genuinely productive group, the inventors were wasted by capitalist selection processes. He was equally sceptical of the entrepreneurial role, which he appeared to believe owed more to luck than ability, and which he believed would evanesce in a future democratic industrial system.⁸⁸ Mallock's Collectivist critics considered that the discretionary powers awarded to Ability were incompatible with a modern democratic society, and were further exacerbated by his uncritical view of competition. To remedy this the usual measures of redistribution of wealth and opportunity were advocated, together with the modification of the acquisitive instinct. With the possibility of collectivist 'planning', the uncertainty and rivalry of the capitalist system which sustained the functions performed by Ability would become redundant as democratisation removed the invidious distinction between Ability and Labour.

Mallock responded to such criticism by stressing the extent to which 'Socialists' had accepted his conception of Ability; the concept had become

⁸⁶ "Mallock as a Political Economist" p.530.

⁸⁷ See his remarks in *The Social Problem*, (1901) p.131 on the 'social' creation of economic values.

⁸⁸ *Evolution of Modern Capitalism*, p.419: "Few great inventors have made money out of their inventions. On the other hand, the entrepreneur, with just enough business cunning to recognise the market value of an improvement, reaps a material reward which is often enormously in excess of what is economically required to induce him to apply his 'business' qualities to the undertaking." Hobson wrongly reduces Mallock's men of Ability to inventors and organisers; "In truth, Mr Mallock's 'ability' applies exclusively to inventors of machinery and improved methods of industry." "Mallock as a Political Economist", p.537.

fully integrated into their analysis of the industrial system and they were forced to accommodate in their plans for a socialist economy.⁸⁹ The 'new' Socialism of the Fabians and others had formally dropped the labour theory of value, and had tried to come to terms with the vertical division of labour.⁹⁰ It was a form of managerial Socialism, Mallock argued, that Anti-Socialists needed to take seriously, not the ultra-democratic outbursts of Syndicalists and the like.⁹¹ This immediately raised difficult problems of incentives and status under Socialism, where Ability did not have direct control over the means of production: "Theoretically it may be possible to socialise all the means of production, but it can never be possible to socialise the capacity of exceptional men."⁹² Mallock contended that for all the Socialists' superficial acceptance of economic inequality, this fact would render any Socialism which sought to compete with capitalism as incoherent. The reason for this lay in their reluctance to accept that acquisitiveness was the only reliable motive for stimulating Ability:

[T]he one peculiar doctrine on which Socialism rests, and which alone fundamentally divides it from all other systems..is the doctrine that Ability will continue to exert itself as heretofore, when almost every motive to exertion is taken away from it.⁹³

Socialists like Webb had perversely suggested that it was possible to satisfy the cupidity of the masses whilst enforcing self-denial on Ability under the

⁸⁹ Thus "The New Socialism", *QR* 199, Jan.1904, p.2: "The growth of theoretical socialism..is far less due to the fact that socialism has been converting the world, than it is to the fact that the world has been modifying it."

⁹⁰ Cf. the interesting remark of Shaw to Edward Aveling in 1887 suggesting that the labour theory of value be dropped: "Mallock and the rest of them are going to kick it all about the place -- identifying it with Socialism -- in order to dignify them as savers of society." cited by Ford, "Mallock and Socialism", p.330.

⁹¹ Mallock was extremely critical of Syndicalism for obvious reasons condemning its "rejection of every thing which in the course of two generations, the more competent Socialistic thinkers have learnt." "The Intellectual Bankruptcy of Socialism", *NR* 59, Aug.1912, p.982.

⁹² "The New Socialism" p.8.

⁹³ "Fabian Economics" p.268.

cover of bogus non-pecuniary rewards like social esteem and self-realisation.⁹⁴

Socialist moralising was not however the main problem in accommodating Ability to their schemes; the main objection was technical, rooted in the very concept of the nationalisation of the means of production. Entrepreneurs flourished under capitalism, because capitalists gave them freedom of manoeuvre necessary to accumulate capital for both parties. However with a collective capital these opportunities to achieve goals through entrepreneurial rivalry would gradually disappear. Those in control of enterprises would be bureaucrats, not free agents. In the short term efficiency and innovation might survive as the skills learnt under free market capitalism would survive, but once they had gone Socialists would have no selection process to discover new Ability, except by offering huge incentives, which they had so castigated under capitalism. But without the operation of the free market this would prove merely wasteful, as there was no way of testing comparative efficiencies. Furthermore the wastage of capital would have much greater political consequences with a single capital discouraging risk-taking.

The economy of Socialism would for such reasons become dominated by political rather than economic considerations:

[T]he only essential difference between this bureaucratic competition under socialism and the competition of capitalists..is that whilst the capitalists obtain control over labour by means of wages, which are controlled by a natural and automatic process, is gradually extinguished unless it is used effectively, the competition for office under socialism would obtain the same control by compulsory powers with which the State would invest them and which they would lose or retain at the pleasure of some more or less arbitrary authority.⁹⁵

Mallock was to make same criticisms of the likely political elitism of socialism that was to pervade the Anti-Socialist literature of the mid-20th

⁹⁴ *Critical Examination of Socialism*, p.128.

⁹⁵ *Aristocracy and Evolution*, pp.71-2.

century: "All..official persons, as contrasted with the labouring public, will occupy positions of similar and desirable privilege; and while their latent rivalry among themselves will be hampered...they will none of them be inclined to welcome any further rivalry from without."⁹⁶ However Mallock contended inequality would have no connection with economic efficiency, and the first to suffer from the diminution of wealth would be the labourers, who would then demand protection of their own labour from labour-saving devices and methods. The political arm of the State would dominate the economic, and given the socialist rhetoric of the democratic control of industry, the 'right' to manage would be severely curtailed in the face of "the preponderating opinions and the general intelligence of the many."⁹⁷ In sum, Mallock concluded the neo-Socialists had failed to give a satisfactory account of the relationship between ownership, control and motivation in assuming that the industrial structure could be democratised.⁹⁸ The error of the 'new' Socialism was precisely the opposite of that made by the Marxians; Marx had built a faulty theory of production on the basis of a realistic materialist psychology, and the revisionists in acknowledging the place of Ability had developed a believable theory of production which was vitiated by an unreal moral psychology.⁹⁹

Mallock's elitist view of industrial society changed remarkably little over the years. In his last political study, *The Limits of Pure Democracy*, published in 1918, he restated his belief in the inevitability of oligarchy in politics and industry. At the same time there is also some evidence that

⁹⁶ *Critical Examination of Socialism*, p.78.

⁹⁷ *Ibid.* p.79.

⁹⁸ See Mallock's criticisms of Ramsay MacDonald and H.G.Wells, "Persuasive Socialism", *NC* 63, May 1908 where he condemns the meaningless rhetoric of evolutionary theories of Socialism, pp.867-8; "...the moment they are pressed for any indication, even the most general, of the sort of solution which they practically have in view, they brush the problem aside as a 'petty detail', which somehow or other will solve itself when the time comes."

⁹⁹ *Critical Examination*, pp.127-8.

Mallock was prepared to take the claims of democracy more seriously than previously as perhaps the title itself suggested. One of the difficulties with Mallock's Conservatism is that his work never achieved an ideological unity: although a doctrinaire conservative in both the economic and religious spheres, he approached them as discrete areas of experience. This was unusual -- most Anti-Socialists always sought some form of religious ideas for their economic beliefs. In Mallock's case however it cannot be considered wholly surprising that the Catholic apologist felt some embarrassment in coalescing the ideas of social Catholicism with those of laissez-faire economics- so he never did.¹⁰⁰ Mallock's main ambition was to equip the Conservatives with a reasoned defence of capitalism which would allow them to compete with Socialism. He considered that the narrowing of political vision which accompanied this project was inevitable, if not wholly insurmountable:

The main difficulty which Conservatives have to face lies in the fact that a variety of very real evils have been identified by extremists with demand for impossible remedies, and the necessity for opposing and exposing the latter gives rise to a diffidence in admitting the seriousness of the former.¹⁰¹

In *The Limits of Pure Democracy* (and in a short, related essay published in the same year, *Capital, War and Wages*) Mallock went some way towards modifying his original conclusions -- he accepted that much of Labour's contribution to the production process did in fact add value, due to endogenous qualities.¹⁰² This was an important concession because it blurred much of the analytic distinction between Ability and Labour as understood in terms of the internal direction of the firm, and strengthened the bargaining claims of the unions. Mallock also suggested that a just wage be

¹⁰⁰ See however his generally favourable comments in "A Catholic Critique of Current Social Theories", *Dublin Review* 155, Jan. 1914, pp.345-60.

¹⁰¹ *Social Reform*, p.377.

¹⁰² *Capital War and Wages*, (1918) p.83, where Mallock accepts that the qualitative improvement of labour is due in part to the efforts of the labourer himself.

implemented on the terms outlined in the papal encyclical, *Rerum Novarum*, almost thirty years previously. The wage which would vary according to trade would allow for "some acquisition of knowledge, for the exchange of thought, for something..in the way of artistic taste, and for ordinary social intercourse."¹⁰³ Workers could also claim a "right to respect" from employers who had sometimes become too remote because of the intellectualisation of labour. This would involve the dissemination of information to the workforce on the destination of profits. This might appear to be overly modest, but at the same time much of the force of Mallock's Conservatism had been compromised.

Mallock's 'economic' Conservatism clearly stands outside the 'Tory tradition', with most of the usual Conservative preoccupations and idioms absent. There is a doctrinal stringency and narrowness, coupled with a rhetorical modesty which is rare in the writings of British Conservatives, and what Mallock's thought loses in repetition, it gains from identifying the main long term problems that faced the Conservative Party in the Twentieth Century. The open commendation of many classical Individualist ideas is also rather unusual but in a sense Mallock was only articulating what many Conservatives were too diffident to admit by 1914 -- that they had become as much a businessmen's party as one of the gentry. Yet for all this recognition of industrial society, Mallock's thought was quite distinct from that of the Spencerians in terms of doctrine. This is partly due to Mallock's inadequacies as a political theorist -- we are never given an account of how Ability is to be related to foundational concepts of liberty and justice, particularly with regard to the relationship of Ability to a theory of distributive justice. Mallock's differences were also however a product of his residual Tory sympathies -- he was enthusiastic about inequality and saw it as a perennial fact of human society -- in contrast to

¹⁰³ *Limits of Pure Democracy*, pp.256-7.

rise to higher things than an exceptional hugeness of desire."¹⁰⁴ Such criticisms do not however explain the real reasons for Mallock's failure to offer a more thoroughgoing critique of Socialism. More recent critiques such as Ford's share the same error of not criticising Mallock on his own terms; "Mallock...fell prey to that disease of conservatism which leads to reaction -- obstinate adherence to an outmoded principle..Mallock's extreme support of laissez faire caused a moral bankruptcy."¹⁰⁵ In truth, the real failure of Mallock's Individualist Conservatism was that it did not do what it claimed; to set out a justification for Ability which would be impervious to the demands for equality of opportunity and redistribution. In concentrating on the attack on Socialism, Mallock ignored the claims of a social reform which accepted at the price of great modification the doctrines he had outlined -- his early claim to be 'socialistic' was more problematical than he had allowed for.

There is however strong evidence that Mallock's work did help in strengthening the arguments of contemporary Anti-Socialists.¹⁰⁶ The 'incentive' argument, that non-Utopian Socialism would be unable to provide the means to satisfy the demands of an organising elite caused some anxiety on the Left. By the Edwardian period the importance of 'Ability' tended to be recognised by all sides, and Mallock's contribution to the debate was

¹⁰⁴ *From Comte to Benjamin Kidd*, (1899), p.369.

¹⁰⁵ Ford, *op cit.* p.342.

¹⁰⁶ I do not intend to list all the works which explicitly borrowed from Mallock's work, see for example, George Brooks, *God's England or the Devil's?* esp.pp.55-56, and for the use of Mallock's ideas by Conservative politicians see Gerald Arbuthnot, (Unionist candidate for Burnley), *Socialism*, (Burnley 1908) and National Union of Conservative and Constitutional Associations, *Campaign Guide* (1909), pp.337-9. Mallock was involved at various times with the London Municipal Society (for whom he ran a "Department of Anti-Socialist Economics"), the Anti-Socialist Union (for whom he was the first Secretary) and the LPDL for whom he published numerous statistical monographs. For the increasingly popular use of 'rents of ability' by critics of Socialism, see Courtney, "Difficulties of Socialism" p.180; Dendy "Socialist Propaganda" p.116. For a study which adapted Walker's rather than the Fabian conception of 'rents of ability' see L.L.Price, *Cooperation and Co-Partnership*, (1914), pp.81ff.

undoubtedly the most influential. For all their setbacks, most Individualists believed that the defence of the entrepreneurial elite had proved ideologically successful; as Herbert Blunt put it in 1901:

The trump card of the individualist seems to be that formula which the labour-formula and the formula of self-realisation tended to break down, *viz.* efficiency in relation to social service. It is because differential efficiency can...secure a rent of ability, that the case for private property stands...If differential ability does the work and demands the reward it must be paid...If we can pay the great entrepreneur his surplus beyond the means of maximum efficiency in honours or power instead of idleness of his descendants for ever, so much the better. But paid he must be.¹⁰⁷

¹⁰⁷ H.Blunt, "The Case for Private Property", *Economic Review* XI, 1901, p.278.

CHAPTER FOUR

THE CAMPAIGN AGAINST MUNICIPAL SOCIALISM IN EDWARDIAN BRITAIN.

(I) Introduction

This chapter marks a change in emphasis, moving from the realm of political ideology to that of 'practice'. It examines the first important manifestation of Anti-Socialism agitation in mainstream politics -- the attack on 'socialism' in local government between c.1900-1914. Until the late 1890s, the arena of municipal politics had been comparatively neglected by Individualists, in contrast to the considerable interest shown in it by Collectivists, who saw the municipality as an invaluable testing-ground for their policies. This original neglect perhaps explains why the following counter-attack was so frenetic and ill-tempered, culminating in the notorious Anti-Socialist campaign of the Municipal Reform Party in the London County Council election in March 1907.

The anti-municipal campaign became a crucial test of the viability of an Anti-Socialist politics; at stake was the viability of Individualism as a political programme; failure in the potentially favourable location of local politics would doom its message to oblivion. In fighting 'Socialism' at the municipal level, the substance and priorities of the Anti-Socialists were to be subtly altered, with the emphasis shifting to questions of taxation levels and the dangers of bureaucracy. In examining these problems, one is better able to understand the future development of right-wing politics, on the national as well as local level. Surprisingly the politics of Edwardian local government has been comparatively neglected by historians, who have concentrated on Collectivism's impact on central government. This neglect is

misplaced; not only was the municipality the crucial political arena for many of the social problems of the day, e.g the Poor Law, unemployment and housing, but municipal control of essential services and the reform of local taxation were key components of New Liberal and Labour policy. In turn they provoked increasingly sophisticated responses from the Right. Furthermore the emasculation of municipal power in the Twentieth Century should not blind us to the fact that many contemporaries still looked to the local sphere as the location for radical social and political change. The resistance to local 'Collectivism' is of equal importance, as the Edwardian period marked the emergence of the ratepayers as an organised political force, attacking bureaucrats and saving money; a phenomenon which was to be a recurrent feature of Right-wing success in later years.¹

The emergence of socialism as a political force at around the turn of the century added a new dimension to municipal politics, not because independent Socialist and Labour groups were able to gain power, but because their programmes affected public perceptions of existing non-socialist municipal policies. Thus previously uncontroversial matters like municipal ownership of utilities and attempts at regulating the local community came to be seen in a different light as potentially 'socialistic', which in turn forced their proponents either to concur or to blunt their reformism in deference to Anti-Socialist opinion. Local politics became much more 'ideological' after about 1900. Until then the property-owner had been the dominant figure and beneficiary of local politics, establishing an ascendancy which gave an air of consensus to Victorian municipal politics. "Municipal Socialism" was thus seen by some as a subversive attack on the existing 'non-ideological' nature of municipal activity. Anti-Socialists sought

¹ A notable exception is Avner Offer, *Property and Politics, 1870-1914* (Camb.1981); an excellent account of the interactions between local and national politics. See also Norman McCord "Ratepayers and Social Policy" in P.Thane, *The Origins of British Welfare Policy* (1978), pp.21-35.

to exploit the fears of the ratepaying classes as part of a wider ambition to restore the narrow limits of the minimum state, treating the municipal strategy as a prelude to a parliamentary triumph (a view which mirrored that of many Socialists). Yet in trying to implement it they ran into resistance not only from Collectivists and the working class, but also from Liberals and Conservatives who had accepted a degree of Collectivism as a necessary cost in the fight against Socialism. The anti-municipal campaign succeeded in practically halting the frontiers of the local state, but not in rolling them back to the Individualist ideal.

(II) Municipal Trading, Municipal Socialism and Private Enterprise.

Municipal Trading was the first important instance of public ownership in modern British history. Unlike later 'Collectivist' projects, it developed without any sophisticated theoretical underpinnings, pre-dating the late-Victorian schism between Collectivism and Individualism. Indeed it appeared to be a paradigm of the growth of state activity in Britain; *ad hoc*, incremental and consensual. It only began to clothe itself in intellectually respectable arguments when its most ambitious schemes were already realised, and even then it borrowed from a variety of theoretical justifications.

The above view is of course something of a caricature, if only because the justification for any policy of municipal intervention rested on an implicit conception of public goods. It is however true that the municipalist creed only became vocal and coherent when the policy of municipal trading was questioned at the end of the nineteenth century. The questioning began, in part, as an outcome of the Collectivist-Individualist conflict, and so it was inevitable that the policy would be redefined in such terms. As a result, it acquired a much higher political profile than might have been predicted;

thus Bernard Shaw could contend: "Municipal Trading seems a very simple matter of business, yet it is conceivable...that the political struggle over it may come nearer to a civil war than any other issue raised in England since the Reform Bill of 1832."²

What was Municipal Trading? There is no wholly satisfactory and inclusive definition available, as its meaning changed over time and in different locations. This least contentious definition would be the ownership and operation by the local authority of productive enterprises, especially the utility services of water, gas, tramways and electricity. These services were not necessarily profit-making and it was assumed that they would give priority to providing universal access to essential goods above normal commercial criteria. Problems arose however as soon as strict definitions of a "utility" were required, thus it appeared that an inarticulate conception of public goods provision underlay Municipal Trading. A number of difficulties were soon recognised; it was not certain that municipal provision of transport and electricity could be justified by either the non-rivalrous or non-excludability criteria of public goods theory because private competition still existed in these areas. Generally however municipal ownership was usually defended on the grounds of preventing wasteful private competition, under-supply or because of the positive externalities provided by the service; e.g the social advantages of a public transport system, and sanitary benefits of a universal water supply (though water and gas were essentially non-rivalrous).³

Few municipal apologists went very far in the theory of public goods; thus Joseph Chamberlain, the greatest of the late-Victorian 'municipalists,' offered this highly oblique justification for Trading:

The supply of gas and water, electric lighting and...tramways must be confined to very few contractors. They involve interference with the

² G.B.Shaw, *The Common Sense of Municipal Trading*, (1908), p.1

³ Cf. J.R.Kellett "Municipal Socialism, Enterprise and Trading in the Victorian City" in *The Urban History Yearbook 1978*, (Leicester 1978), pp.36-45.

streets, and with the rights and privileges of individuals. They cannot therefore be thrown open to free competition, but must be committed under stringent conditions and regulations to the fewest hands. As this is difficult..it is most desirable that, in all cases, the municipality should control the supply in order that the general interests of the whole population may be the only object pursued.⁴

Such views deflected any criticism of municipal ownership being unacceptable radical in its implications. It also had the added political benefit of excoriating private sector monopolies, whilst avoiding the charge of being partial to particular social groups. As long as Trading could be seen within such parameters, then the 'socialistic' charge would have been persuasive only to a handful of ultra-Individualists.

Parliament had seen the main justification for Municipal Trading in financial rather than social terms, and, in the final analysis, it was the revenue-producing potential of municipal utilities which best explains the support they enjoyed across the political spectrum. This was of considerable importance given the restrictive fiscal base of British local government, relying as it did almost exclusively on the rates for its revenue. As the need for greater expenditure on the local infrastructure became unavoidable after the 1850s, so the political threat of a ratepayers backlash became more likely, provoking in turn a crisis in centre-local relations. Municipal Trading offered a relatively straightforward solution to the fiscal problems of local government, preferable to the alternative of shifting financial burdens onto the shoulders of the landowners or greatly increasing the amount of government grants-in-aid. Trading also had the added political benefit that it could attempt a rough redistribution of financial burdens between the classes, raising money from working-class consumption of the utility goods as well as from the rates on the property owners.

⁴ Chamberlain, "Municipal Government: Past, Present and Future" *New Review* 10, June 1894, p.658. Chamberlain had taken an even more pragmatic view of municipal trading when mayor of Birmingham in the 1870s; he had municipalised the gas supply in order to pay for improvements required by the Public Health Acts, thereby avoiding putting the cost on the ratepayers.

With Municipal Trading generally accepted in the later nineteenth century, the sharpest political conflicts centred on the destination of trading profits rather on the actual legitimacy of making them, focussing on the question of whether they would be used to reduce the rates or for social expenditure to benefit the poorer classes. Seen in this context Chamberlain's strategy of "gas and water socialism" was a misnomer; as Hennock and others have shown, the benefits of this form of municipalism went primarily to the lower middle classes, with the burden for improvement schemes being placed upon the consumers of monopoly services.⁵ There was little that was 'socialistic' (i.e one-sided redistribution between classes) about it; indeed as Hennock remarks: "In the nineteenth century successful municipal government required..a marked talent for business."⁶ The available evidence suggests that the councils possessed it; in 1908-9, the County Boroughs (i.e the larger towns and cities) transferred a total of over £800,000 of Trading profits to the relief of rates, with eighty-five County Boroughs able to reduce their rates; Birmingham, for example, received 2.9d in the £ relief from tramway profits, 5.4d in the £ from gas.⁷

Municipal Trading was therefore as much an attempt to preserve existing forms of local government as to transform them. However it was also the case that a number of 'municipalists' sought to transcend the narrow ideological constraints of "business efficiency"; the rapid expansion of municipal activity also reflected a desire by the municipalities to appear as model communities, in a nation where prejudices against the 'city' were

⁵ E.P.Hennock, "Finance and Politics in Urban Local Government in England 1835-1900" *H.J.*6, 1963 pp.212-25; Derek Fraser, *Power and Authority in the Victorian City*, (Ox.1979), pp.101-10.

⁶ Hennock, "Finance and Politics" p.223.

⁷ Over 80% of trading profits came from tramways and gas. Figures taken from D.Knoop, *The Principles and Methods of Municipal Trading*, (1912), pp.313, 315, 330; the statistics were taken from the Local Government Returns of 1908-9. Even a radical municipalist like Robert Donald felt bound to emphasize that the towns with the highest trading profits generally had the lowest rates, "The Case for Municipal Trading" *CR* 83 May 1903, pp.632-6.

entrenched. There was thus an idealistic, communitarian strain in municipalist thinking which became more prominent as trading proved its worth. As Fraser has noted the late Victorian period saw a subtle change in municipal priorities from "sanitation" to "civilisation."⁸ Municipal Reformers eagerly drew on the contemporary political idioms of organicism and collectivism to legitimise the innovatory scope and identity of this municipal activism. Many New Liberals saw in a limited municipal collectivism an attractive form of social ownership which avoided the excesses of a centralised ('Socialist') state bureaucracy; D.G.Ritchie believed that:

"Municipalisation" is, in many cases, a much better cry than "Nationalisation". Experiments may also be more safely tried in small than in large areas, and local bodies may profit by each others' experience.⁹

The New Liberals intended to link programmes of town-planning to an idea of the municipality as a direct producer of wealth in order to create a distinct sphere of public property which would allow for an integrated social policy.¹⁰ The municipalists were, it appeared, groping towards a theory of economic collectivism in which the town itself was an agent in the creation of wealth, and could rightly demand tribute from its wealthier citizens. It was in such terms that a 'socialistic' element entered the municipalists' vocabulary; thus Chamberlain could claim in 1894:

(In a sense, all municipal enterprise is socialistic, and that while the cost is provided chiefly by the well-to-do, the benefits are principally enjoyed by the poor. The community provides for all its members the privileges and advantages which would otherwise be reserved for the rich...The body politic is a whole and every part suffers with the rest...the ignorance, the discontent and the misery of the masses are a constant danger to the commonwealth, which all classes are interested in removing.¹¹

The political danger of such beliefs was that they might be

⁸ Derek Fraser, *Municipal Reform and the Industrial City*, (Leicester 1982) p.8.

⁹ Ritchie, *The Principles of State Interference*, pp.62-3.

¹⁰ Thus Lord Monkswell's remark that municipalism would lead "to such a state of mind that private property might be usefully and considerably diminished and public property increased" speech in 1893, cited by John Davis "The Progressive Council, 1889-1907" in A.Saint ed., *The Politics and People of London*, (1989), p.32

¹¹ Chamberlain, "Municipal Government" pp.656-7.

indistinguishable to what the public understood as 'socialism,' particularly as the policy laid so much emphasis on public ownership. It was this terminological vagueness which the opponents of municipalism exploited. Leonard Darwin summed up the anti-municipalists' main contention when he claimed that "Socialism and the desire for Municipal Trading are undoubtedly products of the same great social and political forces."¹² The Socialist interpretation of municipalism appeared to be a more coherent and consistent application of the same principles developed by radical Liberals. Some Radical aspirations also acquired class connotations; for example, the attempt by the municipality to intervene in the labour market either by imposing 'fair' wage contracts with contractors or by establishing its own model works-department. Municipalists were also believed to be indifferent to the profitability of trading enterprises, as they tried to push services towards 'cost-price' sale to benefit the poorer consumer. They were mistrusted for their open disdain of commercialism and their substitution of a communitarian alternative; as one of the leading municipalists, Robert Donald (editor of the *Municipal Journal*) asserted: "It will be found that in the towns where a civic spirit is keenest and healthiest...the profit motive is sought least."¹³

The opponents of municipal action treated such claims sceptically, denying that the local community was anything more than an aggregate of tax-payers and consumers of utilities; conflict of interest was thus built in to the system of Municipal Trading. A simple riposte of *Cui bono?* was offered to the grander claims of municipal communitarianism. As the *Liberty Review* saw it:

A city should have neither aims nor hopes. It is better that it should possess clean streets and sewers, and self-respecting industrious, enterprising citizens left to themselves to make the best of their dwelling

¹² L. Darwin, *Municipal Trade*, (1903), p.28.

¹³ Donald, "Municipal Trading" *Economic Journal* 9, 1899, p.379.

places in their own way.¹⁴

The anti-municipalists contended that the economic intervention of local government had in fact subverted the social harmony of the mid-Victorian town, threatening to introduce a period of class conflict. Municipal Trading was now seen as a short-cut to Socialism rather than a detour from it.

This suspicion was strengthened by the evident sympathy shown to municipalisation by the Socialist movement. Although different groups possessed differing municipal strategies, all welcomed the extension of municipal trading as a rudimentary form of socialisation; Sidney Webb was particularly effective in presenting it as another case of "unconscious socialism":

The general failure to realise the extent to which our unconscious Socialism has already proceeded...is due to the fact that few know anything of local administration outside their own towns. It is the municipalities which have done most to 'socialise' our industrial life.¹⁵

The Fabians were especially keen to push municipalisation into new areas by the late 1890s, arguing in favour of municipal milk provision, pawnshops, banks, slaughterhouses and hospitals -- although intervention was justified in non-socialist terms (e.g public health was given as the main reason for a municipal milk service), these policies if adopted by Radical municipalists were bound to leave the whole idea open to attack as 'socialistic.'¹⁶ The ILP was also committed to gaining power in the municipality by more direct means, whether in elections or by helping to unionise public sector workers. The term "municipal socialism" appears to have been coined in the 1880s in terminology as vague as that for State Socialism. But in terms of policy there appeared to be little difference in the

¹⁴ *Liberty Review*, January 1909, p.2.

¹⁵ Sidney Webb, *Fabian Essays*, (1889), p.50. See also his essay "The Course of Municipal Socialism in the United Kingdom" in *The Labour Annual* (1896).

¹⁶ These proposals formed the second instalment of the Fabians' *Municipal Programme*, published between 1897-1901 (*Tracts* 90-97). There is very little evidence to suggest however that mainstream municipalists were prepared to see a major extension of municipal trading in new services.

short-term aspirations of the more ambitious Traders and the Socialists. In reality, there were major differences over the purpose of municipal ownership; between the conventional desire to maximise revenue and the socialist intention to move towards cost-of-production pricing -- both to benefit working class supporters and to discover the techniques for economic calculation for the socialist economy.¹⁷ Socialists were also more concerned to use municipal power to benefit the employees, subsidising wages to introduce a modicum of redistribution.¹⁸

Anti-municipalists¹⁹ argued that this represented a dangerous politicisation of the economy, with 'direct' employment subverting the local labour market. The 1890s had seen the London County Council, West Ham and Battersea Councils establish Works Departments, a development which had first brought the question of municipal 'socialism' to general attention. The departments, it was argued, would create a privileged class of municipal workmen, able to exercise their influence through the ballot-box and at the same time provoking resentment amongst other workers who would force private employers to compete with similar wage settlements. The departments would merely aggravate the unemployment problem they were intended to cure.

The anti-municipalists thus argued that the municipal leviathan had ruptured the connection between taxation and representation, allowing Socialists to swamp the property-owners with punitive taxation prior to

¹⁷ It is worth noting that 'cost-of-production' services covers both the cases of non-profit utility services, and the provision of rate-subsidised utilities (free at point of delivery) -- the latter was obviously the most controversial and had not been implemented in any British city in this period.

¹⁸ Cf. Shaw's remark: "Its object is to provide public services at cost price. This cost price, to make the service really economical in the whole sense of municipal statesmanship may include higher wages of unskilled labourers than a private company would pay" *Commonsense*, p.86.

¹⁹ I use the terms "anti-municipalist" and "anti-socialist" interchangeably in this chapter, the former a local variant of the general critique of state intervention and redistribution of anti-socialism. As will be shown there were significant differences within the ranks of the anti-municipalists about the scope of municipal activity.

their expropriation. Municipal "socialism" had to be driven back both in terms of municipal ownership and in the subsidies offered to the working classes, either in terms of services or in employment contracts. The critique of Municipal Trading was wide-ranging but hardly coherent, reflecting the complaints of a variety of interests and ideologies. There appeared to be, for example, a serious division between those who condemned Municipal Trading for in effect 'profiteering' at the expense of the consumer to pacify the ratepayers, and those who believed that 'cost-price' pricing of municipal services to benefit the consumer was unjustifiable on any normal commercial criteria. The 'anti-profit' school argued that the municipality should not make any 'profits' as this betrayed the idea of a public good. Emile Garcke, one of the leading anti-municipalists, was a proponent of this view, arguing that municipal services should be available at cost-price with universal access with all surpluses being applied initially to paying of debt and ultimately to cutting prices.²⁰ This appeared to be similar to the Socialist argument, and hence drew criticism from fellow anti-municipalists -- Robert Porter felt "(i)t is not difficult to see that the end of the plan is State Socialism."²¹ It was not clear how the cost-of-production argument could be realistically limited, and it offered no guarantees to the ratepayers whose property backed initial loans, (of course Garcke only defended it because he believed that the utilities would not run efficiently using this method).

Most anti-municipalists believed that the abuses of the policy could only be prevented by restricting its scope to a bare minimum of duties; Vicary Gibbs summarised the main anti-municipalist view thus "the duties of a local authority are to supervise and control, and ...they should not enter into competition with private enterprise until it has been absolutely proved

²⁰ E.Garcke, *The Limitations of Municipal Enterprise*, (1900). Garcke was chairman of the British Electric Traction Company, which had a major interest in private tramways, and was consequently hostile to municipal interference, see the entry on Garcke in the *Dictionary of Business Biography*, vol.2, (1984), pp.474-77.

²¹ R.Porter, *Municipal Trading*, (IFL 1902), p.11.

that private enterprise is incapable of doing what is necessary."²² Furthermore if local authorities carried out their duties efficiently, there would be no need to placate the ratepayers with profits from the utilities. But this line of attack was unlikely to invoke much enthusiasm from the key potential supporters of anti-municipalism, the ratepayers, unless the utilities were unprofitable. As few were, it might have appeared more expedient to appeal to the consumer, but again there was a tension between criticising public utilities for exploiting their monopoly powers and at the same time warning of the danger to innovation by their refusal to operate on purely commercial criteria.

There was also the problem that an overly doctrinaire condemnation of municipalisation would fail to come to terms with the complexity of arguments in justifying specific occasions for intervention; for example, the different arguments used to justify municipal ownership of the water supply and electricity. There were formidable political difficulties in raising public ire against a policy which had been introduced in a piecemeal and bipartisan way since the mid-nineteenth century. To be successful the anti-municipalists had to show that there was something intrinsically wrong with the idea of municipalisation, and it was evident that the balance of opinion was mostly against them. "Socialism" was probably the only effective means for those who used it as a cover for their own private interests. The outcome was a compromise; existing municipal ownership was generally seen as irrevocable, whilst the growing fears of Socialism seemed to make any major extension of municipal activity, even within accepted spheres of influence, politically unacceptable. As Thomas Mackay explained:

We do not wish to press our logic to an extreme, or to reopen the compact which sanctioned the gas and water policy..but we are now asked to set this tacit agreement to one side and to drive the private trader out of all industries for which Parliamentary powers are necessary and these, under modern conditions, include almost every enterprise of first class

²² V.Gibbs, *Municipal Trading*, (IFL 1902), p.9.

importance.²³

There was for all this apparent moderation a distinctive ideological underpinning to the anti-municipalist case; a municipal Individualism seeking, like its communitarian counterpart, to proceed from the municipal to national level. Their critique of Municipal Trading derived from a stringent view of the duties of the local 'minimal' state; it was essentially an instrument to enforce a limited provision of infrastructure and public goods (with the public realm usually confined to ownership of the streets). Power was rightly in the hands of the tax-paying class, whose wishes overrode any conception of the public good held by the officials. The breakdown of this system from the 1860s onwards was held responsible, as usual, for a whole series of social and moral ills. The comments of Robert Porter were hyperbolic, but not untypical:

Such trading with the public credit must of necessity lead to stupendous financial liabilities, add to the burden of the rates, weaken municipal credit, bring about inequality of taxation, interfere with the natural laws of trade, check industrial and scientific progress, stop invention, discourage individual effort, destroy foreign trade, establish an army of officials, breed corruption, create an aristocracy of labour, demoralise the voter and ultimately make Socialistic communities of our towns and cities.²⁴

The origins to the anti-municipal backlash came, however, less from a surge in local Socialist activity than from an intensification of traditional municipalisation in the 1890s. The municipalities, taking advantage of readily available capital seeking a secure investment in utilities, had greatly increased the number of their enterprises, particularly electric and transport undertakings where private companies had also capitalised heavily.²⁵ This required a significant increase in municipal borrowing, (in 1898 94% of

²³ Thomas Mackay, "Municipal Socialism", *The Dangers of Democracy* (1913) pp.284-5.

²⁴ R.Porter, *The Dangers of Municipal Trading*, (1907), p.21.

²⁵ Thus between 1895-1905 the number of municipal waterworks increased from 495 to 620, gasworks from 200 to 270, tramways from 30 to 160 and electric (lighting) plants from 30 to 160. Figures taken from Richard Roberts "Business, Politics and Municipal Socialism" in J.Turner ed., *Businessmen and Politics* (1984) p.20.

capital invested in municipal undertakings was borrowed),²⁶ so that between 1884-5 and 1907-8, the total municipal debt in England and Wales had risen from £85m to £284m.²⁷ By the early twentieth century most county boroughs owned most of the utilities within their boundaries.²⁸ The surviving private utility companies responded by challenging what they saw as the public's uncritical acceptance of the municipalist wisdom, and equally unconsidered condemnation of the 'monopolists'. The companies maintained that they were far from enjoying such powers in the innovatory industries of electricity and transport (which naturally were connected), and that *municipal* monopolies were helping to stifle innovation and investment. Private business was particularly annoyed by the ease with which municipalities could raise capital, backed as they were with the security of the rates. This seemed to be a blatant form of unfair competition, for if the municipality made a deficit, it did not face bankruptcy, but raised the money by increasing the rates. It was therefore argued by some critics that Britain should follow the example of the USA where there were legal limits on the amount of debt a local authority was allowed to incur against the total assessed value of property.²⁹

Given the general mistrust of the utility companies, it appeared essential that they could link their case to the real discontent of the ratepayers rather than relying on the generally unproven claims of the superior efficiency of private enterprise. There was, it was true, some protection offered to the public against the reckless investments of the local

²⁶ H.Gibbons, "The Opposition to Municipal Socialism in England" *Journal of Political Economy* IX, 1900-1, p.245. 13% of the total had been paid off, over half of the sum was invested in waterworks which were not usually treated as profit-making concerns.

²⁷ Knoop, *Principles and Methods* p.96.

²⁸ By 1908-9, 72% of county boroughs owned their own waterworks, 45% owned their gas supply, 88% had electricity plants, and 68% ran their tramways; figures taken from Knoop, *Principles and Methods*, p.106.

²⁹ For example, Darwin, *Municipal Trade*, pp.441-3.

authority in the form of the 'referendum' established by the 1872 Borough Funds Act.³⁰ This Act allowed for concerned parties to call a ballot of ratepayers on particular municipalisation proposals, but such polls were not obligatory and were difficult to organise. Thus the anti-municipalists argued that the claim that ratepayer was in some sense a 'shareholder' was bogus; the municipal officers were only accountable in local elections and there was no power to sell one's share, so the municipality enjoyed self-regulation, allowing poor management to go unpunished. The result would be a long and expensive decline.

The anti-municipalists' alternative proposals were not purely reactionary; they took account of the need for anti-monopoly legislation, maintaining that Parliament had ducked the whole question of public regulation in the past. Thus W.G.Towler of the London Municipal Society contended; "there has been a remarkable lack of any real effort to establish a definite policy that avoids the evils of unrestricted private enterprise and municipal trading."³¹ The anti-municipalists denied that they would be moved by purely commercial considerations in the provision of services. In support of their case, they pointed to experience of the private gas and water companies which were subject to strict statutory price and quality controls. It was suggested that this policy or a system of leasing would counter the deficiencies of municipal ownership and operation. They pointed to the experience of the United States, where such a policy appeared to have worked (though municipalists' attacked the US leasing system as the main cause of municipal corruption).³²

³⁰ For the Borough Funds Act see Christine Bellamy, *Administering Central-Local Relations, 1871-1919*, (Manchester 1988), pp.200-2. The Act stipulated that borough funds could not be used for the promotion or opposition of private bills without the express consent of the ratepayers.

³¹ Towler, *Socialism in Local Government*, (1909), pp.234-5.

³² Herman Finer, *Municipal Trading*, (1941) argued that Britain was comparatively unusual in eschewing public-private cooperation in the matter of utility industries. It was Parliament's conventional policy to establish very rigid divisions between public and private ownership.

This is not to say that the utility companies wanted anything less than straightforward 'deregulation' in the industries concerned, but they recognised that their past misdemeanours had left little room for political manoeuvre. Their discontent focussed on the operation of the legislation regulating the electricity and tramway industries; the 1870 Tramways Act and the 1882 and 1888 Electric Lighting Acts, which worked on the assumption of ultimate municipal control. The Acts enforced relatively easy compulsory purchase terms for local authorities; after 21 years of operation for trams, and 42 years (after 1888) for electric lighting concerns; neither offered compensation for goodwill or for current market value in the purchase price. This naturally provoked resentment in high-risk and high-capital industries with uncertain markets. The result, it was claimed, was under-investment and under-supply of the service.

The utility companies also disliked the municipalities' right of veto over Provisional Orders given to private companies by the Board of Trade to establish transport services, claiming that it deprived consumers of essential services.³³ It was not surprising that the electrical companies provided the initial impetus to the anti-municipal campaign.³⁴ Electricity, as a new and complex industry, was seen as the weakest link in the municipalist armoury. It became weaker by the end of the 1890s with the development of the bulk generation of electricity; economies of scale pointed to the organisation of the industry on a regional level, but under existing legislation the municipalities were not allowed to provide services outside their boundaries and the precedents for group-action were unclear.³⁵

³³ For the electrical industry see Ian Byatt, *The British Electrical Industry 1870-1914*. (Oxford 1979), *passim*. For contemporary criticism of over-regulation see F.W.Beauchamp Gordon, "The State and Electrical Distribution" in Mackay, (ed.), *A Plea for Liberty* (1891), pp.353-75.

³⁴ These companies were essentially power companies and thus had strong connections with the tramways industry.

³⁵ By the end of the Edwardian period it was increasingly common for bigger municipalities to supply electricity to smaller neighbours, Knoop, *Principles and Methods*, p.113.

Therefore the municipalities were faced with a dilemma as much political as technological: whether to allow private enterprise to compete (probably successfully) with their plant in the hope that they would ultimately be allowed to expropriate them or to veto their proposals and risk appearing as the enemy of the consumer? The companies chose the latter option and thus took the conflict into Parliament.

The utility companies believed that the most effective criticism was to attack the creeping 'statism' of local government, seeking to free itself from traditional constitutional and legal restraints, and arrogantly imposing visions of the public good on the long-suffering ratepayer whilst expecting them to pay the bill. The rhetoric of anti-municipalism thus anticipated many of the later Edwardian criticisms of the 'servile State'. It was an image of the small-town dictator, placed in office by a corrupt 'Tammany' system based on the trades unions, building up a network of inefficient municipal enterprises for the benefit of political constituents. This critique was thus a counterpoint to the municipalists' characterisation of 'minimalist' local government as submissive to the dictates of company speculators and monopolists. The danger of the 'politicisation' of the Town Hall was particularly feared; as J.A.R.Marriott warned, "at present 'the Council employs the staff' but if the present tendency continues, the time will not be far distant when 'the staff employs the Council.'"³⁶

The main danger was not so much the ambition of the higher officials (though this was noted) but the claims by council workmen for preferential treatment. 'High' wages and better conditions for this group marked the beginning of the Individualist nightmare of the return to a 'status' economy. By the early 1900s, this no longer appeared purely fanciful with the Labour-Socialist successes in certain London boroughs, and was a development likely to boost municipalisation in new areas. As Darwin noted:

³⁶ J.Marriott, "Socialism *sub rosa*" *Fortnightly Review* 42, Dec.1902, p.970.

Probably the sentiment which tells most strongly in favour of municipal trading with the English workingman is the belief that municipal workers receive better treatment than in...private trade.³⁷

Although the number of municipal employees continued to grow apace (e.g. by 1906 Manchester had 18,000) there was little danger of their exerting a decisive influence in elections as they made up 5-6% of the electoral register at most. There was also only limited danger from the weak public-sector unions; the most important of these, the Association of Municipal Employees, was not a member of the TUC. But whatever the reality of the position such 'class' arguments undoubtedly had resonances amongst the middle-class householder as was demonstrated in the London local elections of 1906-7. However the anti-municipalists were also keen to show how the working classes were losing out from municipal extravagance, even if they were not ratepayers. High rates and a distorted labour market encouraged local business to migrate from the town and pushed the middle classes in to the suburbs, leaving unemployment and high taxation for the workers.

The critique of extravagance and corruption was a novel attempt to unite all classes of ratepayers with private enterprise to pre-empt the political impact of Labour. The main thrust of anti-municipalist reforms was to reestablish a link between taxation and representation, redistributing power back to the more economy-minded classes; Lord Avebury thus condemned the system whereby "thousands who pay no rates have votes, (whilst) those who pay thousands in rates often have none."³⁸ A number of practical measures were suggested to this end; disfranchisement of municipal employees, enfranchisement of local companies, abolition of 'compound' rating (i.e. where the rates and rent were paid in one sum directly to the landlord) which was thought to leave the tenant in ignorance

³⁷ Darwin, *Municipal Trade* p.30. For a characteristic attack on municipal labour see the Industrial Freedom League's pamphlet, *Municipal Trading and the Increase in Municipal Employees*, (1903).

³⁸ Lord Avebury, *On Municipal and National Trading*, (1906), p.16.

about the true burden of public expenditure. However the main thrust of the counter-attack was political, beginning with an attempt to clarify and fix the boundaries of the local state.

(III) The Parliamentary Campaign against Municipalism 1899-1903.

The following account examines the anti-municipalists attempt to get statutory limits fixed on municipal activity. The campaign in Parliament was largely the work of a small group of private utility companies, working in tandem with Individualist propagandists. The ideological underpinnings of the agitation should not however be ignored as the companies only felt able to pursue their objectives against a background of growing public concern about 'municipal socialism'. Indeed given the suspect reputation of the utility companies with the general public, there was little hope of capturing a significant audience without the accompanying rhetoric of anti-socialism. This was not however a populist agitation; rather it was the result of an alliance between Individualist groups like the LPDL and businessmen's groups particularly the Chambers of Commerce, who directed their attention towards Parliament, intending to exploit the fears of many MPs that a lower tier of government had become over-powerful. An interesting combination of material and ideological concerns thus motivated the campaign, demonstrating that Individualists were, for once, able to provide practical as well as ideological support for private enterprise; one side provided the initial political issue together with the financial backing, whilst the other used its propagandist skills to relate it to the wider concerns about Collectivism and so give it a political purchase it would not otherwise have deserved. Even if they had wanted to, (and there were good reasons for not wanting to) the private utilities were not able to pursue the desired legislation without carrying the whole Individualist baggage.

The origins of the agitation lay in the seemingly mundane issue of the bulk supply of electricity. This question had been debated by the House of Commons in 1898-9, after private electricity companies had put forward legislation to establish private, regional power stations, (bulk generation of electric power was not covered by existing Electric Lighting Acts). These stations threatened to make existing municipal power plants obsolete, and the municipalities had no statutory competence to compete with these companies. As municipalities were investing heavily in electric plant in the 1890s, they saw no option but to veto the private bill legislation before Parliament. The main loser in this process was the General Power Distribution Company, which was trying to establish bulk power generation in the North Midlands and the West Riding with the support of local industrialists and the Chambers of Commerce. It was opposed by the bigger municipalities in the area which wished to protect their own smaller electricity concerns. They thus lobbied the main municipalist pressure group, the Association of Municipal Corporations (henceforth AMC), to exert pressure in the Commons to ensure that the General Power Company's Bill was lost. The pro-municipalist MPs were however so intransigent in their opposition, that their colleagues began to question their motives in avoiding the competitive challenge of the power companies. The culmination of the debate on the General Power Bill came on 3 March 1899 when a motion to continue debate on the Bill in the next session was lost by 132 votes to 164.³⁹ John Burns had led the attack, arguing that the Bill had a monopolistic intention, in contrast to the public-spirited intentions of municipal control of electric power.⁴⁰ This brought forth a strong rebuke from one of the Bill's supporters, Bromley Davenport, who condemned the "combined and concerted influence of the (AMC)..on an individual member

³⁹ For the debate see *Parliamentary Debates* 4th Series, Vol.67, 3 March 1899, cols.1181-1211. The Bill's promoters had promised that they would not compete with existing municipal works.

⁴⁰ *Ibid.*, col.1205.

of the House for the purpose of almost compelling him to vote for or against a Bill, which may not concern even in the remotest degree the constituency he represents."⁴¹

As a result of such spoiling tactics the AMC acquired the reputation of the anti-municipalists' *bête noire*. As one critic put it:

No syndicate of capitalists, or alliance of traders could have held the House of Commons in the hollow of its hand as the Association of Municipal Corporations has done.⁴²

It is possible that this conflict had the untypical effect of showing the utility companies to be less self-interested than the municipalities; there was certainly no question of the AMC having popular support for the scheme and they were prevented by statute from offering an alternative. The electrical supply companies responded by enlisting the support of a powerful commercial lobby, the London Chamber of Commerce. The resulting anti-municipal campaign which centred on the Joint Select Committees on Municipal Trading of 1900 and 1903 was largely the Chamber's work.⁴³ It had obvious advantages, given its close connections with City finance, its experience as a Parliamentary lobbyist and a strong Electrical Trades Section on which the aggrieved parties were conspicuously represented.⁴⁴ The electricity interest had however received some encouragement from the Cross Committee Report on Electrical Energy in 1898, which had advised that regional power generation should go ahead, by-passing most of the regulations laid down in the Electric Lighting Acts.⁴⁵ Thus the Chamber

⁴¹ *Ibid.*, col.1193. For similar criticism of the AMC, see [Edwin Pratt], *Municipal Socialism* (1902), pp.30-31; Porter, *Dangers of Municipal Trading*, pp.10, 109: "It is a bureaucratic ring so strongly organized in self-defence that it whips the member for a Scotch borough to vote against an electric power scheme for Ireland."

⁴² Towler, *Socialism in Local Government*, p.167.

⁴³ See the claim of a municipal socialist, H.T.Muggeridge, *The Anti-Municipal Conspiracy Exposed* (1903) p.4: "The germ of this movement can be traced to one particular quarter -- the little coterie of electrical (*sic*) financiers."

⁴⁴ Emile Garcke was Chairman of the Section from 1895-7, he was succeeded by the B.E.T's solicitor, Sydney Morse. Both men played a high-profile role in the anti-municipal campaign.

⁴⁵ *Report of the Joint Select Committee..on Electrical Energy. Parliamentary Papers*

began to agitate for the Report's implementation in 1899, together with a call for the revision of the Tramways Act and the Light Railways Act, 1896. The obvious way of getting the Government to act on these matters was to subsume the whole question into a topic for a Royal Commission or Parliamentary Committee to investigate. The Chamber thus established a special Municipal Trading Section, chaired by Morse, which began to search for allies.

The Chamber was probably responsible for the anti-municipalist meetings held at the Society of Arts in February 1899. A number of Individualist activists were present including the ubiquitous Wemyss,⁴⁶ together with Dixon Davies, one of the original promoters of the General Power Bill, who delivered a paper on "The Costs of Municipal Trading". He assailed the *hubris* of municipal politicians, responsible for rising rates, indebtedness and retardation of the electrical industry.⁴⁷ Lord Wemyss then announced that the League was starting a petition for an inquiry and offered the League's assistance to realise this objective.⁴⁸ The Chamber and the LPDL cooperated on the circulation of the petition, gaining the support of a wide range of interests with its condemnation of the 'novel' powers claimed by the local authorities.⁴⁹

The task facing them was a difficult one, given the strength of the AMC lobby in Parliament and the apparent neutrality of the Government on a question which could have divided the Conservatives.⁵⁰ There was no

ix, 1898, pp.609-788.

⁴⁶ Others LPDL members present were Dundas Pillans and Charles Fairfield.

⁴⁷ For reports of the proceedings see D.H.Davies, *The Cost of Municipal Trading*, (1899) and the LPDL's pamphlet, *The Dangers of Municipal Trading*, (1899). For the London Chamber's activities; *Chamber of Commerce Journal* 18, Feb.1899 p.5, March 1899, p.45.

⁴⁸ I would question Bristow's claim, "LPDL and Individualism" p.782, that the League initiated the campaign; it is clear that it was always subordinate to the London Chamber of Commerce.

⁴⁹ The petition demanded that "a Committee of Both Houses, or Royal Commission, be appointed to define the extent to which municipal trading should be sanctioned by Parliament." *Liberty Review*, 8, 1899, p.69.

⁵⁰ The President of the AMC was the Conservative MP, Sir Albert Rollit (who

guarantee therefore that the Government would respond to the petitions, (ironically Wemyss presented the petitions to the Lords on 3 March, the day that the General Power Bill was finally lost). However the Government initially appeared favourable; Balfour promising: "We shall proceed at once to appoint the committee."⁵¹ But it had failed to appoint the Committee before the end of the 1898-9 Session, and repeated questioning in the Commons failed to elicit any commitments to do so.⁵² This apathy forced the anti-municipalists to broaden the basis of the campaign away from a narrow dependence on the tramway and electricity companies. In April 1899, the London Chamber and the LPDL had agreed that ratepayers' groups should be involved, collecting information in provincial cities to put before the Inquiry.⁵³ A Parliamentary group of interested MPs was also established to keep pressure on the Government.⁵⁴ Yet the agitation was still widely perceived as a monopolists' conspiracy; as the 'municipalist' *Municipal Journal* insisted: "the sole object of those who have agitated to get the Committee appointed is to help the electrical supply Bills now before the House, (as) we are not aware that other municipal enterprises have been attacked."⁵⁵

These conditions were however slowly changing with the issue being linked explicitly with the threats from Socialism and Organised Labour. These had been evident ever since the unprecedented victory of the Labour-

was also a leading figure in the London Chamber of Commerce). Many of the leading trading councils were Conservative or Liberal Unionist, e.g Birmingham and Liverpool.

⁵¹ *Parl.Debs.* 67, 2 March 1899, col.1853.

⁵² *Parl.Debs.* 69, 24 March 1899, col.1342; *ibid.* 70, 21 April, col.179.

⁵³ London Chamber of Commerce Archives, Guildhall Library, 16,643/4, Minute Book, 25 April 1899, ff.136-8; the meeting agreed to cooperate with the LPDL. The League's secretary, Frederick Millar, attended and informed them that it would collect evidence in the major cities.

⁵⁴ See *Liberty Review*, July 1899, p.172. Most members sat for Metropolitan constituencies, i.e the Chairman, Sir John Lubbock (London University, ennobled as Lord Avebury in 1900), and five other MPs plus two from Liverpool. All were Unionists.

⁵⁵ *Municipal Journal*, March 1900, p.207.

Socialist group on West Ham Council in 1898.⁵⁶ The Council was immediately attacked for embarking on an expensive programme of municipalisation, including public works and council housing, introducing a works department, an eight-hour day, trade union rates of pay and freedom of combination for council employees, as well as establishing municipal laundries, dispensaries and insurance. This was important because it was the first time an explicit link between Trading and Socialism was established. West Ham Council was accused of "crude and hazardous proposals, and of bribes to a section of the electorate-free concerts, free clubs, Freethinkers, everything free except freedom."⁵⁷ The Labour group's political tactics, pushing through its policies using a tightly disciplined caucus system, also caused grave worries. This demonstrated the need for comparable organisation amongst the anti-municipalist opposition. Therefore in 1899 the West Ham Municipal Alliance was formed out of existing ratepayers' groups on a specifically anti-socialist platform. It succeeded in winning back control of the council in 1901, offering a precedent for ratepayer activism, which was to become increasingly assertive in the following years.⁵⁸

Critics had seen in the West Ham 'experiment', a gloomy portent of the sinister influence of Trades Unions, which were alleged, through the local Trades Council, to have a direct say in choice of candidates and hence

⁵⁶ On West Ham see D.Englander, *Landlord and Tenant in Urban Britain 1838-1918*, (Oxford 1983), pp.61-3; P.Thompson, *Socialists, Liberals and Labour*, (1967), pp.130-35. According to Thompson 16 of the 25-strong Labour Group were Socialists.

⁵⁷ F.H.Billows, "Socialism in West Ham" *Economic Review* X, 1900, p.60, and (Pratt), *Municipal Socialism*, pp.38-44. For the municipalist view see Hugh Legge, "Socialism in West Ham" *Ec.Rev.* IX, 1899, pp.489-502, who made the interesting observation; "(T)he attitude of the anti-Socialists towards Socialists is almost indescribable. (They) are regarded as idle agitators who prefer to live on the earnings of others rather than work for themselves..and worse terms of abuse are not wanting; they are charged with being advocates of free love, wholesale robbery, anarchy, atheism or any other anti-social heretics." p.495.

⁵⁸ See (Pratt), *Municipal Socialism*, pp.43-4.

over policy.⁵⁹ This fear was set against the background of the employers' counter-offensive against the New Unionism in the late 1890s, (1897 had seen a major stoppage in the engineering industry). Large employers were also antagonised by high rates and the growing influence of public-sector unions in municipal wage-rates, which had a knock-on effect on private employers. It was thus not surprising that employers' groups were drawn into the anti-municipal agitation. One of Wemyss' creations, the Employers' Parliamentary Council entered the fray in the summer of 1899, attacking the alliance between advanced municipalism and militant Trade Unionism.⁶⁰ It is worth quoting one of their leaflets in some detail to show the issue of municipal 'socialism' became a factor in the dispute:

The present system is heading straight to socialism....the employers as citizens should oppose the principle of municipal trading by all means in their power. They have, moreover, a real interest in the matter. If this thing goes on, the trade unions will become masters of the municipality, and then it will be the employers' turn to be dominated...the trade unions, having found their match in the late contests with Lord Penrhyn, Colonel Dyer and Sir William Lewis, recognise that success cannot be had on these lines, and they have..resolved to follow the municipal line -- that is, to capture the municipalities.⁶¹

The London Chamber of Commerce had also tried to enlist the support of provincial Chambers. This strategy had not gone entirely to plan, for many provincial businessmen still looked with favour upon trading; it often benefited them economically and many businessmen had served on the trading committees of their local councils. Thus at the annual conference of the Association of Chambers of Commerce held in March 1900, a motion from the London Chamber in support of limiting municipal trading failed to receive sufficient support for official action on the parliamentary inquiry.

⁵⁹ *Ibid.* p.36

⁶⁰ For the EPC, see Soldon, "Laissez-Faire as Dogma" pp.225-6; it was intended to counter the activities of the TUC's Parliamentary Committee.

⁶¹ EPC, *Municipal Trading*, (1899), p.4. A division of labour was worked out whereby the EPC dealt with labour questions, the LPDL with rates, accounting and jobbery, and the London Chamber of Commerce with municipal trading in the evidence to be put before the Select Committee, *Liberty Review* 8, June 1899, p.135.

This was hardly encouraging as the Association represented interests which were supposedly most affected by municipalisation. The Conference had revealed some of the differing perceptions of municipal action held by businessmen from the North and Midlands, where trading was well-established, and those from London and the South where it was comparatively under-developed; the former seeing its existing but pragmatic achievements, the latter only its future threat.

The agitation in Parliament also appeared to be failing to attract the necessary political interest. Balfour had suggested in a speech to the Commons in March 1900 that many people wished to see the whole question dropped, with the implication that the Government was one such voice.⁶² Such remarks encouraged a fierce attack on the anti-municipalists in debates on the Parliamentary Inquiry on 29 March and 5 April 1900; Burns portraying them as a coalition of ultra-Individualists and self-seeking businessmen. But the anti-municipalist MPs refused to respond to the provocation, arguing instead for the moderate line that the Joint Select Committee (henceforth JSC) would deal with matters of procedure rather than principle. It would then suggest firmer guidelines for Parliamentary committees dealing with private bill legislation for both private and public utilities. This helped them win the vote to appoint the JSC by 141 to 67.⁶³

For all this apparent moderation it was obvious that the anti-municipalists wanted major alterations made to existing regulatory legislation to make municipalisation more difficult. It was not however clear what sort of restrictions could be statutorily imposed without radically transforming the relationship between Parliament and local authority. Without the framework of a written constitution clearly laying down the limits of state action and responsibility, it was unclear what sort of

⁶² *Parl.Debs.* 80, 21 March 1900, col.1430.

⁶³ *Ibid.* 81, 29 March, cols.757-776.

principled limitations could be enforced by Parliament; equally any attempt to 'privatise' existing municipal utilities, and operate them under a new regulatory framework was unacceptable to politicians from both parties. Thus the *Municipal Journal* warned before the JSC began sitting: "It is utterly hopeless for any Committee, however impartial, or for Parliament itself to lay down rules which regulate problems which may not now exist. To stereotype our system of local self-government would be to destroy its chief merit."⁶⁴

The Joint Select Committee on Municipal Trading held sixteen hearings between 18 May and 27 July 1900, it then retired without issuing a report because of lack of Parliamentary time, but urging the recall of the Committee in the next Session. Its brief was a broad one, namely; "to consider and report as to the principles which should govern powers by Bills and Provisional Orders to municipal and other local authorities for industrial enterprise within or without the area of their jurisdiction."⁶⁵ This wording appeared to represent a victory for the anti-municipalists, but this did not necessarily mean that an attack on the municipalities was threatened. The wording could also be interpreted as favourable to a long-standing municipal ambition; to gain general enabling powers over municipalisation, avoiding the costly and drawn out business of applying for Parliamentary approval for each scheme (or the Board of Trade for Provisional Orders.)

In the event the JSC turned out to be something of an anti-climax. The evidence put before the Committee when it was not biased, was incapable of independent confirmation, and the Permanent Officials seemed unclear as to the extent and performance of trading operations. Much of the anti-municipalists' evidence was based on detailed criticism of local authority accounting methods and their vetoing of Provisional Orders given

⁶⁴ *Mun.Jnl.* April 1900, pp.266-7.

⁶⁵ *Parliamentary Papers*, 1900 Vol.VII, pp.1-607.

to private companies, the details need not however concern us here. What is clear is that the attempt to outline a framework of rules and regulations for the scope of municipal activity proved much less successful, with the anti-municipalists incapable of agreeing over a general rule for municipal activity (these differences of opinion appear to rule out the suggestion of an anti-municipal conspiracy). For example, Sydney Morse, of the London Chamber of Commerce and B.E.T, argued "that the action of the municipality in trading should be restricted to matters undertaken in the public interest and without a view to profit."⁶⁶ This was an attempt to justify a minimum of sanitary provision, including water supply, but as his questioner pointed out the avoidance of profitability in the name of public service was a Socialist argument, which aimed to provide essential services at cost-price. Other anti-municipalist definitions were equally question begging; Archibald Swinton maintained that there should be no municipalisation where private provision was at least possible. Lord Avebury avoided any principled foundation, insisting that each case be treated on its merits.⁶⁷ Emile Garcke's solution was perhaps the most consistent with anti-municipalist claims; that each proposed municipal project would be subject to a ratepayer referendum (an improved version of the Borough Funds Act), and if successful, would be funded by a separate tax to ensure accountability.

As the JSC never reported on its findings one can only speculate on the impact of the anti-municipalists' arguments. It does however appear that their evidence failed to account for the financial dilemma of the local authorities if they lost revenue from municipal trading; nobody suggested a local corporation tax which might have removed objections to the profiteering of the utility companies. With the municipality's financial position undermined, it would probably been forced to demand a new system

⁶⁶ *Ibid* p.61, question 832.

⁶⁷ *Ibid* Swinton, p.104, Q.1318; Avebury, pp.126-129, Q.s 1580-1603

of rating (and the municipalists were invariably strong supporters of site-value taxation) or to demand increased subventions from the Government. This would have led to political problems which would have extended far beyond the municipalities' boundaries, a fact which cannot have gone unnoticed with a Unionist government. Therefore the 'conservative' municipalism of a witness like Edward Smith (Town Clerk of Birmingham) might have seemed more attractive than the Individualist one of rolling back the frontiers of the local state. Smith argued that trading profits were a critical component in subsidising prices and funding civic amenities, and their loss would hit the working classes hardest, but their numerical preponderance would allow them to extract the necessary revenue from the middle class tax-payers. There appeared to be therefore a basic asymmetry in the interests of the householder and the utility company, which was not answered by the latter's claim to provide a more efficient service.⁶⁸

The failure of the anti-municipalist movement seemed to be confirmed by the fact the JSC was not reappointed until 1903. However the intervening period saw "municipal Socialism" become a live political issue. It was this aspect of the question which had perhaps been lacking from the anti-municipalists' strategy in 1900. This no longer seemed advisable after the anti-socialist victory of the West Ham Municipal Alliance in 1901 and the publication of the extremely influential articles on "Municipal Socialism" published in the *Times* in the autumn of 1902. The articles were a classic *exposé* of 'socialism' in such places as Battersea, Poplar and Glasgow and they proved to be the fullest account to date of the nature of organised Socialism in the municipalities.⁶⁹ The author insisted that the municipalist idea was on the point of being captured permanently by the Socialists:

⁶⁸ *Ibid.* p.153, Q.1949.

⁶⁹ The articles were published anonymously, but I follow Philip Waller, *Town, City and Nation* (Oxford 1983), p.309 in attributing them to the journalist Edwin Pratt. In November 1901 he had written a similar series of anti-trade union articles on "The Crisis in British Industry."

(T)he unbounded extent to which the principle of municipalisation is being carried by local authorities is, whether intentionally so or not, in strict accord with the aspirations of the avowed Socialists in their desire to secure the creation of a Collectivist State, and the transfer to popularly-elected bodies not only of all the 'public services', but of innumerable trades and all the means of remunerative employment.⁷⁰

Pratt linked the municipal decadence to wider problems of the British economy, like high taxation and labour disputes. His suggested counter-strategy had however some novel elements and contrasted strongly with the Parliamentary manoeuvrings of the original protagonists. Pratt called for the formation of a national organisation of ratepayers' groups, armed with a central information bureau to coordinate election strategies and produce propaganda. He ended his articles by insisting that the previous campaigns against municipalism were vitiated by their narrow political base; only a "national organisation, as distinct from one where the interests of capitalists and traders might predominate, could...hope for widespread success, if based on lines which persons of all classes, and representing a wide divergence of opinion...could meet on common ground."⁷¹ Pratt identified middle-class apathy towards local politics as the greatest problem facing the anti-municipalists.⁷² This owed much however to the extreme particularism of local party politics, which consciously avoided 'national' issues, and this was some thing which could only be overcome by emphasising that Socialism would make its initial bid for power at the local not national level. In retrospect the impact of Pratt's articles was considerable, marking a turning point in anti-municipal agitation; the influence of his proposals on the London Municipal Society's anti-municipal campaign between 1904-7 was unquestionable.

The formation of the Industrial Freedom League in April 1902 suggested that the anti-municipalists were now trying to put the issue into

⁷⁰ *Municipal Socialism*, p.84.

⁷¹ *Ibid.* p.86.

⁷² *Ibid.* p.84.

the political mainstream. However it was not the 'populist' organisation advocated by Pratt and it did not intervene in local elections, but represented the narrow business interests of the original anti-municipalists. Indeed, the *Municipal Journal* was to dismiss it as "the public opinion manufactory of the British Electric Traction Company."⁷³ The IFL's members included the usual collection of electrical engineers, railway executives, Chamber of Commerce representatives and MPs.⁷⁴ The immediate aim of the League was to agitate for the recall of the JSC, but it also issued propaganda on the wider issues of municipalisation.⁷⁵ Anti-municipalists were also able to take heart from the Government's apparently more critical stance towards the local authorities over their financial affairs. Gerald Balfour, the President of the Board of Trade, was also hostile to municipalisation and unsuccessfully attempted to promote an Electrical Supply Bill in 1903, which would have implemented most of the proposals of the Cross Committee; a report as has already been noted favourable to the utility companies.

The municipalities were however more favourable to the idea of a wide ranging review of local government by 1903, believing that the anti-municipalist agitation demanded a counter-attack in the form of permissive legislation in the area of municipal economic activity (which would have in effect taken the question out of the Parliamentary arena). The recall was

⁷³ *Mun.Jnl.* 8 April 1904, p.292. This view is shared by some historians, e.g. Offer, *Property and Politics*, p.237.

⁷⁴ The electricity interest included Garcke, R.E.B.Crompton, W.Magden, Sir Charles Rivers Wilson and A.C.Swinton; the railway directors, Sir Alexander Henderson MP, (Great Central), Lord Claud Hamilton, (Great Eastern), and Hon.Charles Lawrence, (London and North-Western); the MPs were Vicary Gibbs, Alfred Baldwin, J.F.Mason, Sir John Rolleston and Gilbert Parker. See lists in IFL, *Annual Reports* 1903-7. The Presidents of the League were Avebury 1903-5, Lord Brassey 1905-6, Sir Felix Schuster (a banker) 1906-7, and Lord Lamington 1907-8. In January 1909 the IFL merged with the Anti-Socialist Union.

⁷⁵ The IFL tried to collaborate with the London Municipal Society on the presentation of evidence to the JSC; an offer which was refused, LMS Archive, Guildhall Library, 19,528, Mins of Exec. Committee 27 April 1903.

made on grounds which did not suggest that the anti-municipalists would enjoy any more success than three years earlier; Balfour informed the Commons when he agreed to reappointment that "on the whole, I do not look with any great fear on the development of municipal industrial enterprise."⁷⁶ Balfour in fact confined his criticisms to the debt problem, which was causing worries against the generally troubled background of post-war Government finance, and the end of the investment boom of the 1890s. Thus the brief of the 1903 Committee concentrated on the narrower problem of local authorities' financial accountability, in particular the archaic methods of municipal auditing and accounting.⁷⁷ Deprived of the chance to argue on general principles, the anti-municipalists were forced to attack public ownership on the mundane grounds of false accounting. This debate need not detain us, save to point out that there was little hope of success in the absence of proper official statistics on this question.⁷⁸

The final Report of the JSC partly upheld these criticisms, recommending that the existing system of elected auditors be replaced by more systematic commercial accounting; the auditor was to be given access to all accounts and allowed to suggest loan repayment strategies. However the key reform demanded by the anti-municipalists was not sanctioned -- the surcharging and disallowance of councillors for inefficient management of facilities, a vital tactic in turning ratepayers against municipal trading and consequently towards privatisation. Thus the Joint Select Committees did not provide the necessary indictment of municipalisation as it had developed in the late-nineteenth century. The AMC actually supported the

⁷⁶ *Parl.Debs.* 1 April 1903, col.811. For municipalist aims see *Ibid.* Whitby, col.803, and Grey, col.809.

⁷⁷ See *Parliamentary Papers* 1903 Vol.VII, pp.1-482. The Joint Select Committee was again chaired by Lord Crewe; it sat on ten occasions between 10 June and 20 July 1903. Two members of the IFL sat on the Committee -- Lords Vaux and Lamington.

⁷⁸ In particular the refusal of the municipalities to keep proper depreciation and obsolescence funds in capital-intensive industries like electricity was identified as the true source of municipal trading 'profits'.

findings of the 1903 Committee, believing that more accurate auditing would confirm the superior profitability of municipal enterprise. The anti-municipalists' original aim of securing statutory limits on municipal action seemed politically redundant; by 1904 the municipalities went on the offensive and the *Municipal Journal* could judge that "the general assault on the municipal stronghold by the forces of reaction has dwindled into an insignificant skirmish."⁷⁹

Between 1899-1905 the opponents of municipal trading managed to encourage public debate over the efficacy of municipal interventionism but they were unable to direct it to their main aim of reducing the scope and frequency of that activity. They failed to persuade opinion in both main parties and in the country that municipal trading was both economically deleterious and conducive to socialism. They were unable to do this because they lacked hard evidence of municipal failure in its conduct in any of the utility industries (especially in regard to corruption) and because their proposed remedy of 'privatisation' was still regarded as a cover for monopolism. They were hindered in this by the fact that opinion amongst many Conservatives as well as Liberals was favourable to the *status quo*. Municipal Trading worked to the benefit of too many 'hard' interests to be overturned for the advantage of the utility companies.

The campaign was not however without its successes; it is probable that it contributed to the slowdown in municipal activity in the later Edwardian years, though extraneous economic conditions played the dominant role.⁸⁰ Problems over high interest rates coupled with the local funding of New Liberal welfare legislation helped blunt municipal enthusiasms. It is probable that the political reaction towards 'economy' was first felt on the local not national level (see the next section); so by 1914 the

⁷⁹ *Mun.Jnl.*, Oct.21 1904, p.851.

⁸⁰ Cf. Offer, *Property and Politics*, p.238.

more extravagant municipalist visions were following municipal Individualism into political oblivion. But the attempt to repudiate late-Victorian municipal activism failed because the basis of the critique was both ideologically and politically flawed in being presented as a pre-emptive attack on 'socialism'. Bernard Shaw doubted therefore that many would be taken in by such reasoning:

The reason why the [Industrial Freedom] League...does not get any serious grip of the electorate is that its voice is strong only where the interest of the private citizen is weak. The grievance of being hampered in the exploitation of a whole province is the grievance of a millionaire or of a Trust controlled by a group of millionaires.⁸¹

(IV) The Climax of Anti-Municipalism: The London County Council Election 1907.

The lesson of the anti-municipal agitation in Parliament was straightforward; without a broad base of political support, there was little hope for the commercial interests wishing to push back the tide of municipalism. This required a new strategy based on winning power directly on local councils and thereby destroying 'municipal socialism' progressively on a city-by-city basis. Thus the legislative strategy was replaced by an electoral one after 1906 based on exploiting ratepayer discontent at the rising costs of local government (in line with the policy outlined in the *Times* articles).

This had previously been seen as a rather suspect strategy by many anti-municipalists due to the ratepayers' gains from municipal trading and more pertinently because of the notorious political apathy of the ratepayers. Lord Wemyss, who had experience of organising such groups in London, complained: "I am very much afraid that you cannot trust to the London

⁸¹ Shaw, *Commonsense* pp.64-65.

ratepayer, or the ratepayer generally, to be active in their own defence."⁸² 'Socialism' was however believed to be a significantly dynamic issue with which to politicise municipal elections. The critique of general municipal extravagance thus began to take precedence over the anti-municipalism which saw its main duty in restoring a local minimal state. This changing mood was most in evidence in London, where municipal politics after 1906 was dominated by the attack on 'socialism'. The potential of a localised Anti-Socialism was realised by the Unionist London Municipal Society which fought the 1906 London borough and 1907 County Council elections specifically against Socialism.

London was in many ways a natural target for the anti-municipalists;⁸³ a fact which owed more to the retardation of municipalisation in the capital than to its sophistication. However this very backwardness encouraged fears that when municipal intervention did come it would be accompanied by much more doctrinaire socialist content than had been present in provincial municipal policies. Portents of this movement had already been noted at Battersea and West Ham, and the growing political success of the Labour Party in national politics (despite its rather poor showing in the metropolis) encouraged fears of the capital of the British Empire falling into Socialist hands. London's special status had long been a source of attraction for municipal visionaries and they had been further encouraged by the fact that the Social Question had first been posed in response to the problems of the metropolis in the 1880s. Overcrowding, bad

⁸² Wemyss, *The Dangers of Municipal Trading*, (1899), p.11. See also *London Municipal Notes*, March 1906, p.435 and (Pratt) *Municipal Socialism*, p.87: "Organisation must be met by counter-organisation, but something more is wanted than the ordinary type of ratepayers' association, which is too often left to die from sheer inanition within a very short time after it comes into existence."

⁸³ Cf. Porter, *Dangers of Municipal Trading*, pp.7-8: "The lavish policy of the London County Council at this period really gave the impetus, coordinating an unopposed disapproval of municipal trading into a strong body of opposition."

housing, structural unemployment, and poor provision of essential utility services encouraged metropolitan Radicalism to take a more zealous line than in most major cities. The enemy was also more clearly identified; London's ground landlords, many of whom were peers, attracted particular opprobrium for their wealth gained so obviously at the expense of 'society', and they formed part of a triumvirate of metropolitan wickedness with the City Corporation and the private utility companies.⁸⁴

Radical ambition and the resistance of Property ensured that London municipal politics was always a matter of more than local concern, and the intervention of central government was not infrequent even after the formation of the London County Council (henceforth LCC) in 1889.⁸⁵ The complex structure of London Government also favoured political and administrative competition with the question of municipalisation becoming bound up with a conflict between the boroughs and the LCC over areas of competence.⁸⁶ At the same time the LCC had failed to gain control of the capital's police and water supply (after 1904), both of which were run by autonomous agencies. These factors all acted as serious constraints on any integrated municipalist strategy; the social policy implications of municipal trading were severely curtailed by the fact that LCC controlled only a steamboat service and the tramways by 1907 (neither of which contributed to the reduction of the rates). Attempts by the Progressive Party, which was the ruling group between 1889-1907, to extend their sphere of operations to electric power, gas and control of the Port of London always met with fierce

⁸⁴ See for example the remarks of John Benn in 1907 in A.G.Gardiner, *John Benn and the Progressive Movement*, (1925), p.348.

⁸⁵ For an excellent study of the London municipal reform movement in the 1880s and 1890s see John Davis, *Reforming London: the London Government Problem 1855-1900*, (Oxford 1988).

⁸⁶ Since 1899 London had a two-tier government, consisting of the LCC as the upper tier and a lower tier of 28 metropolitan boroughs -- most of the everyday duties of local government were the responsibilities of the boroughs. It was a long standing aim of the Progressive Party to centralise power in the LCC, whilst most of the Moderate [Unionist] Party defended the rights of the boroughs.

and successful resistance from the influential group of London Unionists in Parliament. Parliament further extended its control over the LCC by requiring, uniquely, a statutory sanction for its annual budgets. It was not surprising therefore that London's municipal politics between 1889-1914 witnessed constant oscillation between bursts of reformist enthusiasm followed by their disappointment.

The period can however be divided into two relatively distinctive parts; the Progressive reformism and frustration between 1889 and 1907, followed by a period of conservative resistance and retrenchment which lasted into the 1930s when the Municipal Reform Party was in control. The key date therefore is 1907 when the County Council elections returned the Unionists to power for the first time (in the guise of Municipal Reformers); it was this election which finally killed off Progressive reformism and struck an important early blow against London's Labour and Socialist groups (Labour did not win control of the Council until 1934). Until 1907 the Progressives worked on the assumption that the electorate had given them a mandate to remedy London's backwardness in municipal provision in order to bring it up to at least the standard of the big industrial cities.⁸⁷ To facilitate this policy, the Progressives constructed a cross-class identity of anti-monopolist populism which borrowed its rhetoric as easily from traditional Radicalism as from the New Liberalism. Their municipal ideal, was paternalist in its insistence of reform from above, rather than 'socialistic.' Its practical results were however nugatory; municipal trading had not taken off and the most successful policies had been in 'regulating' various aspects of local life, from food purity to the music halls, a policy which would at best yield ambiguous political results.⁸⁸ Radicals of all

⁸⁷ Cf. John Davis, "The Progressive Council" p.27 on the LCC's mandate to introduce reforms at its foundation.

⁸⁸ *Ibid* p.36 on the unchanging nature of Progressive ideology between 1889-1907. He notes that most Progressives could be classified as Radicals.

persuasions were disappointed by these failures, with London remaining the great lacuna in the municipalist enterprise; Donald summed up the feeling of advanced municipalism when he wrote in 1906; "[London] is in a deplorably backward condition. It is the municipal Cinderella."⁸⁹

Progressive frustration however brought little relief to metropolitan Unionism. Its 'success' up to this point had relied on resistance in Parliament, and it had shown limited abilities in trying to mobilise the electorate against the Progressives' forward policy. Municipal Unionism was therefore only credible when it was protected by Unionist majorities at Westminster, but the return to power of the Liberals in the 1906 election effectively subverted this strategy of inertia. It was against this background that the Moderates (after 1906 the Municipal Reform Party) began to seek a more popular appeal. Resistance to "socialism" offered one plausible strategy, particularly if it was linked to the *hubris* of the Progressive administration. The Moderates had already used the Anti-Socialist cry in a rather desultory manner when the LCC's Works Department was formed in 1892; the policy which had done more than anything else to establish the Progressives' radical credentials.⁹⁰ The Works Department was subject to particular suspicion because it was largely the work of a known Socialist, John Burns, who saw it as initiating a permanent reform in labour policy away from the free market.⁹¹ However the *Spectator* warned that it was "not democracy or philanthropy...only socialism badly applied for the benefit of a single class in the community, certainly not an oppressed class, at the expense of the remainder."⁹² The Department became a favourite target for

⁸⁹ *Mun.Jnl.* Dec.14 1906, p.1289.

⁹⁰ Davis, "Progressive Council" p.35 quotes Burns as saying that it was "the biggest thing yet done for Collectivism."

⁹¹ For some interesting remarks on Burns' ideas, which were not typical of most Socialists, see Susan Pennybacker, "The Millennium by Return of Post" in G.Stedman Jones and D.Feldman, *Metropolis London* (1989), esp.pp.133-4.

⁹² *Spectator*, "The Latest Socialist Scheme" 17 Dec.1892, p.880.

the Moderates who accused it of shoddy and expensive work and of undermining the private building trade.⁹³ It was undoubtedly the Department that Lord Salisbury had in mind when he made his most outspoken attack on the LCC at Queen's Hall in 1894:

It is the place where Collectivist and Socialistic experiments are tried. It is the place where a new revolutionary spirit finds its instruments and collects its arms.⁹⁴

The Works Department however was an insufficient platform from which to launch an attack on the LCC's 'socialism'. The most effective means of doing so was to foment ratepayer discontent; the mood of even the middle class ratepayer had not yet hardened into blanket approval of 'economy'. Much of the expenditure on roads, street lighting, recreational facilities and transport was likely to be more to the benefit of the suburban commuter than the inner city dweller. The Moderates however believed that their main obstacle was ratepayer apathy, confirmed by low electoral turnouts (the average turnout in LCC elections between 1889-1904 was just over 47%) and the failure to convince the public that the LCC was concerned with more than mundane administration. Attempts on the other hand to rely on a purely negative strategy, as had happened in 1892, when the Moderates practically handed over their campaign to Lord Wemyss' London Ratepayers Defence League, had proved disastrous, because this group was seen, not unfairly, as a mouthpiece for the ground landlords.⁹⁵ The remedy was seen in better organisation, a more distinctive ideological identity and building up permanent support amongst the middle classes. This task was entrusted to the London Municipal Society which had previously coordinated Moderate electoral strategies. After 1904 the LMS began to take a much higher profile, and was largely responsible for the

⁹³ For a representative criticism of the Department see Melvill Beachcroft and H.Percy Harris, "The Work and Policy of the LCC", *NR* 24 1895, pp.835-36.

⁹⁴ *Times*, 8 Nov. 1894, p.4.

⁹⁵ For the 1892 campaign see Davis, *Reforming London*, pp.186-8.

militant anti-socialist tone of the 1906-7 local election campaigns. Eventually it became the leading Anti-Socialist group in Edwardian Britain with interests extending well beyond London local politics.⁹⁶

The move towards Anti-Socialism was made in the aftermath of the Moderates' disappointing performance in the 1904 LCC election. This change of direction was stimulated by signs of greater Progressive militancy, which was itself a response to the threat of independent Labour politics. The Progressive administration began to push ahead with increased investment in infrastructure; in 1903, Parliament finally sanctioned public control of the water supply; in 1904 the LCC had taken over responsibility for education; in 1905 it had established a steamboat service on the Thames; in 1906 it had completed the municipalisation of the tramways and by 1907 it was pushing ahead with a plan to establish a regional electricity system. Even in a period of municipal self-confidence, these were particularly complex undertakings, entangled with wider financial and political problems. London's economy had been in considerable difficulties with rising unemployment after 1902, whilst borrowing was becoming more costly; by 1906 the ease with which municipalisation had been undertaken already appeared to be a thing of the past.

The massive debts run up by local authorities over the past thirty years were a plausible cause of a ratepayer reaction. Londoners' rates had been rising inexorably since the 1890s; by 1906 they had risen by up to 50% since 1890, and unlike those in provincial cities they paid twice to the LCC and the metropolitan borough.⁹⁷ There was particular resentment at the charges of the LCC which could be expended for the benefit of groups at the other end of the metropolis, and suburban ratepayers had especial reason to

⁹⁶ For the LMS see Ken Young, *Politics and the Rise of Party*, (Leicester 1975).

⁹⁷ LCC rates rose on three year averages as follows between 1889-1907: 1889-1902 -- 12.51d in the £; 1892-95 -- 13.17d; 1895-98 -- 14.67d; 1898-1901 -- 14.00d; 1901-1904 -- 15.75d; 1904-07 -- 34.37d (includes education rate); 1907 -- 35d. Figures taken from *The Municipal Yearbook 1908*, p.208.

fear the Progressives' desire to further centralise London government as it would redistribute rate burdens to the advantage of the inner city boroughs. Alternatively, and this was the great fear of wealthier Unionists, a system of site value taxation could be introduced without detriment to Progressive support amongst the lower middle classes (and this was important as many constituencies in which this group were strong returned Progressives until 1907).⁹⁸ Thus 'Economy' was not enough in itself to bring down the wrath of the ratepayers on the Progressives.

There were however some signs of change; in April 1902 the *Times* reported that "there began to be signs in London...of something like a revolt against the rapid increase of the rates."⁹⁹ By 1906 observers were commenting on the discontent of the middle classes at high rates and poor public services against the background of a worsening economic situation. George Sims claimed in a series of articles on "The Bitter Cry of the Middle Classes," in the London paper, *The Tribune*, that "at the present moment the oppressed classes of the country are the middle classes,"¹⁰⁰ and he firmly laid the blame for this at the high levels of rates faced by householders and small businesses. This view gained some credence with groups like the Middle Classes Defence Organisation being formed, and fighting on essentially anti-municipalist issues.¹⁰¹

The LMS's strategy would only gain credibility however if it appealed to the working class ratepayer as well. The Right could only win control of the LCC if it won a substantial number of working class seats, something the Parliamentary Party had been doing successfully since the 1880s. This

⁹⁸ For example Brixton, Chelsea, Dulwich, Fulham, North Hackney, and Norwood returned Progressives in the LCC elections in 1901 and 1904.

⁹⁹ *Times*, 1 April 1902, p.7.

¹⁰⁰ *The Tribune*, 17 July 1906, p.3.

¹⁰¹ The MCDO was founded in March 1906, *Times* 17 March 1906, p.16; for its manifesto see *London Municipal Notes*, Dec. 1906, p.429. In 1907 it claimed to have fourteen branches in London, which were planning to intervene in local elections, see *Liberty Review* 22, July 1907, pp.35-6.

was a plausible policy given the fact that the highest rates were found in the poorest boroughs (because they had the lowest rateable values -- equally the richest boroughs paid the highest LCC rates because of their higher rateable values); thus the borough rates in Poplar and Bermondsey were double those of the West End -- a fact which severely constrained social policy.¹⁰² The Progressives responded by promoting Equalisation of rates and land taxation, but it was not clear that the Moderates' espousal of retrenchment did not have a more immediate appeal. The attempt to trace the soaring rates bill to corruption, waste and irrelevant social experimentation could easily play on traditional suspicions of the local bureaucracy shared by all classes. These fears were traced to the incubus of socialism, which had been a pertinent issue in London since West Ham and Poplar. Thus it was argued that either the Socialists would make a direct bid for power, or, more plausibly, that the Progressives' would hold onto office by bribing the working class electorate with suitably collectivist measures. The outcome was the same -- London was being enmeshed in wasteful bureaucracy.

The aim of the Moderates was thus to 'politicise' the ratepayers, gaining control of existing independent ratepayers groups through the offices of the LMS. These existing groups were invariably small, poorly funded and transient, concerned usually with purely local issues. There was however the innovation of the 'Municipal Alliances' in West Ham, Poplar and Battersea which had been formed specifically to counter the threat of Socialists in office.¹⁰³ These were more ideologically sophisticated and attempted to win

¹⁰² Englander, *Landlord and Tenant*, p.54, estimates that rates took up on average about 5% of working class income.

¹⁰³ For West Ham see above, for anti-municipalism in Battersea see Chris Wrigley, "Liberals and the desire for working class representation in Battersea" in *Essays in Anti-Labour History*, pp.145-6; for Poplar, Englander, *Landlord and Tenant*, pp.106-12; Poplar's Board of Guardians had attracted attention for its 'extravagant' outdoor relief for the unemployed, a Poplar Borough Municipal Alliance was formed in 1905 and it managed to get a LGB enquiry which criticised the Guardians' policy.

over traditionally Progressive voters by playing on their fear of the Labour Party. The LMS thus began to amalgamate these groups into a common forum to fight 'socialism' at a county council level -- a strategy which strongly resembled that recommended by Pratt in 1902. Anti-Socialism functioned as the common denominator for a broad-based coalition, which contained many potential conflicts of interest within its ranks; whether between businessmen and householders, landlords and tenants or suburban and inner city dwellers. Thus by 1905 the LMS's President, the Earl of Onslow could claim that "the Society ought to be looked upon as a ratepayers' defence organisation."¹⁰⁴ The LMS which had not traditionally been closely associated with the anti-municipalist agitation, now began a fierce attack on Progressive 'extravagance' which became a staple of the Society's propaganda after 1905.¹⁰⁵ In 1906 these new priorities were confirmed when the aims and objects of the Society were revised in a more distinctively anti-municipalist direction.¹⁰⁶ The same year saw a deluge of material published or in given in lectures on such subjects as "The Burden of the Rates," "Municipal Trading" and "Rates and the Workingman". This was complemented by a reorganisation begun in 1905, whereby the LMS established branches in the boroughs to prepare for the 1906 local elections.¹⁰⁷ The consolidation was further strengthened with the admission of members of the Poplar Municipal Alliance, the Union of Stepney Ratepayers and the Bermondsey Municipal Alliance to the LMS Council in March 1906.

¹⁰⁴ *London Municipal Notes*, (the LMS's journal), March 1905, p.66.

¹⁰⁵ In May 1905 a special sub-committee was set up under Herbert Jessel, the LMS's chairman, to investigate the LCC's record on municipal trading. Mins of Exec.Committee, 24 May 1905.

¹⁰⁶ Mins.Exec.Comm., Feb. 12 1906.

¹⁰⁷ The LMS had held a conference to discuss coordinated action with ratepayers' groups, see *Times*, 21 July 1905, p.8. For the results see LMS Mins. of Exec. Comm. 11 October 1905. The local committees included representatives of ratepayer and property owners' groups, railway companies and private schools societies.

These moves took on a special significance after the 1906 general election; the Liberals had achieved their best result in the metropolis for a generation, winning a clear majority of the seats with their Labour allies. This was the first real setback for London Unionism since 1886 and the capital had to be recaptured if they were to have a serious chance of winning the next election.¹⁰⁸ Furthermore the bargaining power of the Progressives in Parliament was significantly increased with a caucus of thirty Liberal MPs who were Progressive Councillors, and with Burns at the Local Government Board (two factors which yielded ambivalent results). The Government soon revealed its sympathy with their aims; Campbell-Bannerman told the AMC that municipalities would not be "hampered and hindered by obsolete, or unnecessary or galling restrictions."¹⁰⁹ Victories at the coming borough and county council election thus had an unusual urgency for all metropolitan Unionists; as Jessel warned Lord Avebury:

The question has never been so important as at present with a Radical House of Commons. If a Progressive majority is returned to power, we may well despair of London, and, in fact, it will give Socialism such a fillip that it will affect the whole political and social life of the nation. This is our last chance.¹¹⁰

This sense of desperation perhaps explains the vehemence with which the Municipal Reform Party (the Moderates' new name) fought the borough elections of November 1906. The result was a remarkable turn around in fortunes; the Municipal Reformers won control of 22 councils, leaving the Progressives with overall control only in Bethnal Green and Battersea -- the

¹⁰⁸ The Unionists were evidently suffering from a long-term decline in support in metropolitan working-class and mixed-class constituencies, see Henry Pelling, *The Social Geography of British Elections, 1885-1910*, (1967); thus in 1906 Unionists polled over 50% in only two out of twenty-four working class constituencies (Hoxton, Stepney), this increased to six seats in January 1910, but was still below the figures for 1885-1900 where the Unionists polled over 50% in nine constituencies. In mixed-class constituencies, 1906 was even more of a disaster with Unionists polling >50% in two out of fifteen constituencies, compared to an average of >50% in elections between 1885-1910 of 13 seats.

¹⁰⁹ *Times*, 17 May 1906, p.5.

¹¹⁰ Jessel to Avebury, 16 December 1906, Avebury Papers, BL.Add.Ms.49674, ff.157-58.

Municipal Reformers had seven times the number of councillors than did the Progressives. The rout was total, encompassing all types of borough but the Progressives significantly did very badly in suburban, lower middle class areas.¹¹¹ The role of Anti-Socialism in this victory was widely acknowledged; Lawler Wilson noting: "As an item of political history, it may be noted that here, for the first time, Anti-Socialism came on the scene as an active... political force."¹¹² Encouraged by this success, the LMS portrayed the succeeding County Council election in the nature of a crusade against Socialism. The campaign was one of the most intensely fought local elections on record, with an unprecedented degree of vilification on both sides; municipal Reformers presenting Progressives as 'socialists,' and the latter repaying the compliment by portraying the Reformers as the stooges of corrupt monopolists and landlords. Support from the national press proved to be a crucial ingredient in the Reformers' success, with all the big Unionist dailies concentrating their attacks on the 'Socialism' of the Progressive administration.¹¹³ The Progressive response was muddled; it tried to latch on to the 'Economy' cry by claiming municipal enterprise achieved this most effectively, and it rebutted the Socialist label by pointing to the fact that independent Labour-Socialist candidates were contesting the 1907 election. Yet its positive programme seemed remote from any particular constituency, and its increasingly outmoded municipalist rhetoric was fully in evidence; 'Anti-Socialism' does not have appeared have affected the municipalisation programme of the Progressives, even though there was strong evidence that public opinion was beginning to connect municipal ownership with

¹¹¹ Thus no Progressives were returned in Wandsworth, Lewisham, Hammersmith, Woolwich, Chelsea and Fulham. For details of the election results see Simon Knott, *The Electoral Crucible: The Politics of London 1900-14*, (1977), pp.94-96.

¹¹² Lawler Wilson, *The Menace of Socialism*, p.19.

¹¹³ The Left blamed the hostility of the Press for the unprecedented nature of their defeat, see *The Diary of Beatrice Webb*, vol.3, (1984), 24 February 1907, p.65, and Gardiner, *John Benn and the Progressive Movement*, pp.331, 355.

socialism. One of the centre-pieces of the Progressive platform was land taxation, a measure which required Parliamentary sanction, which was far from likely in the near future despite a sympathetic Commons majority, whilst offering little attraction for the irate ratepayer.¹¹⁴ This failure to respond directly to the Anti-Socialist attack seemed ill-judged when the Labour Party was as adamant as the Municipal Reformers that "Socialism will be the question round [*sic.*] which the election will be fought."¹¹⁵

It is probable however that the Progressives were brought down by the Anti-Socialist critique not because of the policies they had enacted, but more by the policies they planned to carry out -- a rather desperate radicalism resulting from years of frustration. 1907 was probably the last chance for Progressivism before a genuine municipal socialism established itself in the metropolis. Thus they planned to hold onto their working class support by boosting investment in the tramways and public housing, and municipalising London's electricity supply. It was this latter proposal to build and run an electricity system for the whole Greater London area which proved to be the Progressives' final undoing. Haward, the LCC comptroller who oversaw the costing of the scheme, later maintained: "it was the prospective capital commitments of the Council, rather than the actual capital outlay to date, which alarmed the public."¹¹⁶ The electricity scheme would have been the biggest municipal undertaking in this field to date, and there was no question of the industry yielding substantial profits for a generation. The LCC had already ensured that the Board of Trade accept only its scheme, but even within the administration there were grave doubts as to the wisdom of pushing ahead in the face of public disquiet over

¹¹⁴ Analysis of the Progressive election addresses for 1907 (in the Bristol University Library Collection) suggests that the main items of Progressive policy were 'economy' (defined as efficient public services), extended municipal trading, increase in the LCC's powers at the expense of the boroughs, site value taxation and Equalisation.

¹¹⁵ R.B.Suthers in *Clarion*, Jan. 18 1907, p.7.

¹¹⁶ Sir Henry Haward, *The London County Council from Inside*, (1932), p.188.

'extravagance'.¹¹⁷ The response of some Progressive leaders was however dismissive; McKinnon Wood, their leader, justified the scheme in the following words:

I do not very much care whether this is a popular proposal or not, but with the experience of the past, I, as a member of the Progressive Party, cannot take responsibility for allowing an enormous monopoly to be created in London.¹¹⁸

This sort of remark typifies the rather condescending idea of the public good preached by the Progressives which has been identified by Susan Pennybacker as a major cause of their unpopularity.¹¹⁹ Whereas the Progressives always conceived of municipal ownership with the private water companies at the back of their minds, the Municipal Reformers and increasingly the general public associated it with the unhappy experiences of the municipal steamboat service. The steamboats came to epitomise the folly of Progressivism in the 1907 election.¹²⁰ The Municipal Reformers thus treated the electricity scheme as a wilful refusal to learn from the Steamboats affair. Claims were made that the plan would cost between £20-30m and any failure would automatically mean a rates increase (the scheme was also unpopular because it would supply electricity on demand to consumers outside the LCC area without making them liable for debt through the rates). The Municipal Reformers thus treated the plan as the trump card in their case for 'Economy'; the *Pall Mall Gazette* called it "a project as wild, as dangerous, and as extravagant as anything in the catalogue of absurdities which they disavow."¹²¹ Examination of the election

¹¹⁷ Thus the Council's Finance Committee warned: "We do not think it necessary or indeed possible to estimate the extent of the liabilities that may be incurred by the Council in future.", Council Minutes, 11 Dec.1906 cited in G.Gibbon and R.Bell, *The History of the LCC*, (1939), p.629. For details of the scheme, see Byatt, *British Electrical Industry*, pp.122-26.

¹¹⁸ *Daily Chronicle*, 7 Nov.1906, in cuttings book McKinnon Wood Papers, Bodleian Library Ms.Eng.Hist.d.131, f.36.

¹¹⁹ Pennybacker, "Millenium by Return of Post" *passim*.

¹²⁰ The steamboats lost a total of £391,000 during their period of operation between 1904-8, for details see Haward, *LCC from Inside*, pp.327-31

¹²¹ *Pall Mall Gazette*, 15 Jan.1907, p.1.

addresses of Municipal Reform candidates in 1907 shows that opposition to the electricity scheme was mentioned more often than any other issue including 'Anti-Waste'.¹²²

By committing themselves to this scheme at the very moment when the Economy issue proved popular with the electorate, the Progressives made it impossible to halt the movement begun in the borough elections in November 1906. The failure of the LCC's trading schemes to produce profits for the relief of rates also encouraged disenchantment with municipalism. In 1890 the LCC rate had been 12d. in the pound and this had risen to 17d. in the pound in 1907 (though the Council had cut its rate in 1905-6) and this figure does not include the rates levied for Education after 1904. Most of this increase was to meet inevitable expenditure on infrastructure and sanitation, but for all its disclaimers about Parliamentary opposition and the power of vested interests the LCC under the Progressives had failed to live up to the high standards it had set itself in its rhetoric -- it did not appear to excel at anything. It was further accused of encouraging economic decline in London, by forcing firms already suffering in the downturn to quit the city for the provinces because of high rates. The trade journal, *Engineering*, complained:

There are many *prima facie* reasons in favour of quitting the crowded metropolis, but the 'Progressive' policy recently adopted by the LCC has enormously stimulated manufacturers in arriving at the decision.¹²³

These arguments were offered to the working class as an additional reason to reject the Progressives and unemployment (the Municipal Reformers were also Tariff Reformers and supporters of anti-Alien legislation). Business

¹²² Examination of the election addresses of the 118 Municipal Reform candidates, (most of whom issued joint addresses as there were two member constituencies), revealed that 89% specifically repudiated the electricity scheme, compared to 79% who stressed the need to keep down the rates, and 56% who mentioned opposition to the steamboats. Cf. the questionnaire in the *Times* 27 Feb 1907, p.12, which questioned 94 MR candidates and found 84 of them (89%) definitely opposed to municipal trading and prepared to oppose it in office.

¹²³ Quoted in *London Municipal Notes* 15, May 1906, p.514.

interests also appeared to have played an important role in funding the costly electoral activities of the LMS.¹²⁴

The election proved to be the most bitterly contested in the LCC's history, with a record turnout of 55% from an electorate of over 840,000.¹²⁵ The Municipal Reformers won 79 seats to the Progressives' 39, taking over 55% of the popular vote (the Municipal Reformers won 219,477 votes to the Progressives' 180,422). As in the borough elections, the Municipal Reformers did well in all types of seat, whilst the Progressives saw their middle class support disappear.¹²⁶ The anti-Progressive reaction in the suburbs was particularly strong with the advances made by the Liberals in the general election in seats like Wandsworth, Chelsea, Fulham, Norwood and Dulwich, being wiped out. Indeed in many of these areas Progressivism was eliminated for good, and the Progressives were forced back into their working class strongholds in the south and east of London; areas where the Labour Party could be expected to gain in the near future. In the 1910 LCC elections the Progressives managed to cut the Municipal Reformers majority to two seats (though with a considerable shortfall of votes), whilst in 1913 the Right recovered much of the lost ground -- the Progressives

¹²⁴ It was later revealed in Parliament that the following companies had contributed to the LMS's funds: the London and North Western Railway Co., the London and South Western Railway Co., the London and India Docks Co., the Surrey Commercial Co., Millwall Docks Co., and the South Metropolitan Gas Co. See *Parl.Debs* 170, 6 March 1907, col.770, 172, 15 April, cols.599-600, 18 April, cols 1148-52, 174, 15 May col.791. All these companies would have paid very high rates.

¹²⁵ The electorate had been swollen by the enfranchisement of the lodgers after the ruling in *Kent versus Fitwell*, which was later overturned. See Knott, *Electoral Crucible*, p.97. About 10-12% of the total were women voters. For the LCC franchise see Thompson, *Socialists, Liberals and Labour*, pp.80-1; the London Qualification Act 1900 gave the county council vote to all parliamentary electors, hence by 1907 the LCC electorate was somewhat bigger than the parliamentary.

¹²⁶ Using Pelling's categories (*Social Geography of British Elections*) for the class composition of London constituencies, the Municipal Reform Party won 70% of the vote in upper/middle class seats (inc. City of London - 40 LCC seats in total); 53% in mixed-class constituencies (30 seats); and 46% in working-class constituencies (48 seats). This was noticeably better than the Unionist performance in the same areas in 1906.

proving incapable of restoring their support in suburbia.

Indeed the politics of class appear to have been an important background factor in the success of the Anti-Socialist strategy of the Municipal Reformers. The idea of a middle- and lower-middle class backlash against an emergent 'Labour' constituency thus gains credence; the *Liberal Daily News* noted "the profound hatred entertained by the clerks and trading classes towards the workingman" during the campaign.¹²⁷ Bernard Shaw for one believed that the loss of the middle classes was critical for the future of municipal socialism in London and strongly urged that the Left put rating reform to the top of the political agenda.¹²⁸ There was evidence in *Municipal Reform Propaganda* of hostility to the indolence of Council workmen and of 'luxurious' services like the steamboats which were believed to be patronised mainly by the working classes, but these views were tempered to the necessity of winning support from all classes. The Marxist paper, *Justice*, saw the election as marking the advent of class politics in London, resulting in the inevitable demise of the Progressives, but Labour had not made a serious impact on municipal politics by 1914.¹²⁹ The immediate outcome for Socialism was recognised by Blatchford to be bleak: "London is anti-socialist, and we have got to the face the facts and make the best of them."¹³⁰

The election of 1907 did not mark the end on municipal trading in the metropolis; the Municipal Reformers had not promised to 'privatise' existing undertakings, but their success did ensure that municipal activity was now undertaken within the narrow parameters of 'business efficiency'. Politically,

¹²⁷ *Daily News*, 4 March 1907, p.8.

¹²⁸ Shaw, *Commonsense of Municipal Trading*, pp.viii-x.

¹²⁹ *Justice*, 9 March 1907, p.7. It said of the Progressives; "They have fallen between two stools, having failed altogether to counterpoise by working class support the hostility they aroused in the middle class circles by their timid municipal trading."

¹³⁰ *Clarion*, March 22 1907, p.7.

radical municipalism was finished in Edwardian London, with Beatrice Webb lamenting in 1910: "The Progressive movement which the Fabian Society started in 1889 has spent itself."¹³¹ The Municipal Reformers cut back on the LCC's spheres of activity -- they abolished the Works Department, the Steamboats and scrapped the electricity scheme. They also halted the movement towards centralisation of power in metropolitan local government. A generally successful attempt to hold down the rates also dampened down the demand for reform of local taxation. Thus the policy of the Municipal Reform administration proved to be the most consistent reaction against municipalism in the period, though it did not represent a revived municipal Individualism. Some provincial Unionists tried to mimic the Anti-Socialist strategy in the local elections in November 1907. Yet despite a swing to the Right (with national gains of 135 seats claimed), it cannot be said that this was the result of an LMS-style campaign. The 'red scares' in Sheffield, Halifax and Huddersfield yielded below average successes. The *Municipal Journal* had a characteristic explanation for this failure of municipal Anti-Socialism: "Outside London voters appraised this campaign against municipal Socialism at its true value. It is merely the Industrial Freedom League in another guise."¹³²

(V) Conclusion.

I have argued that the reaction against the late-Victorian creed of municipalism was an ideological, economic and political reality, and that the dominant form of this reaction was an attack on the often unintentionally 'socialist' effect of this policy. The ideological crisis faced by defenders of municipal trading arose not so much from the internal contradictions of the

¹³¹ *Diary of Beatrice Webb*, 1 March 1910, p.135.

¹³² *Mun.Jnl* Oct. 25 1907, p.919. see also *ibid.* 1 Nov. 1907, p.939 and Nov.8 1907 p.960.

policy, but from the fact that the question of any form of public ownership took on a new appearance once organised Socialism entered the political field. But one consequence of this development was that internal problems of municipalisation, such as indebtedness and pricing, were then interpreted in terms of 'socialist' criteria. Thereafter the only possible method of justifying public ownership to the ratepayers was to ensure that they remained the main beneficiaries of the policy, but this inevitably blunted municipalism's reformist potential. In many predominantly working class cities this did not seem so pressing as the middle classes might still be prepared to appease Labour, but in London fluid political loyalties and a large, well organised middle class effectively overturned the municipalist party.

New forms of political allegiance were created, with ratepayer groups adopting a more doctrinaire stance than had been the case with the mid-Victorian 'Economy' Parties, and at the heart of their appeal was a vociferous Anti-Socialism and a visceral Individualism. 'Economy' was a successful message however not mainly because of a desire to roll back the municipality's frontiers, but because it was a natural response to inherent tensions in the structure of local government finance. Municipal Trading had originally offered an attractive alternative to the rates in the raising of municipal revenue, but changing technology and the availability of regional economies of scale in some utilities after 1900 undermined this policy.¹³³

Municipal Socialism arrived too late on the scene to offer any new forms of municipal intervention; Indeed municipal ownership now seemed more of a hindrance than an opportunity to the Socialists.¹³⁴ Furthermore the progress of the Labour Party in local elections in the Edwardian period

¹³³ For the Fabians' increasing support for regional public ownership, see *Municipalisation by Provinces*, (Tract 125, 1905, repr., 1913).

¹³⁴ As the economist Edwin Cannan remarked in 1910: "Certainly the municipal ideal of a few years ago, in which the world was conceived as reorganised on the basis of ownership by the 'people of the locality' has no longer the hold which it had on many minds." Review of Ramsay MacDonald's *Socialism and Government*, *Economic Journal* 20, March 1910, p.65.

was in fact rather modest. Thus in the 1913 municipal elections (not including London and Scotland) Labour put up 426 candidates of whom 171 were returned -- and even in Bradford, a showpiece of municipal Socialism, Labour was the smallest of the three parties on the Council.¹³⁵ On the political level Labour was also faced with anti-Socialist alliances between local Liberals and Unionists; in the 1913 municipal elections Labour faced such alliances in 12 towns.¹³⁶ But the Anti-Socialists saw in their municipal successes the opportunity to ensure that a national Socialism would be still-born. In the aftermath of the LCC election the *Times* argued:

If municipal Socialism is discredited, State Socialism would be still less acceptable...In fact, it is in the municipality, and particularly in the London County Council, that the real battle is being fought. It would be too much to say that the whole future of Socialism depends on the result, but certainly in future it will be profoundly affected by the result.¹³⁷

¹³⁵ Michael Cahill, "Labour in the Municipalities" in K.D.Brown, ed., *The First Labour Party*, (1985), p.98.

¹³⁶ Cahill, "Labour in the Municipalities" p.99.

¹³⁷ *Times*, 19 March 1907, p.13.

CHAPTER FIVE.

ANTI-SOCIALISM AND THE 'CRISIS' OF CONSERVATISM 1906-14.

(I) Introduction.

The success of the Anti-Socialist strategy in the local elections of 1906 and 1907 had inevitable repercussions for national politics. As 'socialism' began to impinge on high political perceptions and calculations in the aftermath of the 1906 General Election, the evidence of a setback in what was considered its stronghold, the municipality, encouraged Unionist politicians to attack where it was weakest -- in Parliament.¹

The 1906 election, which witnessed the crushing defeat of the Unionists and the emergence of the Labour Party as a significant electoral force (with twenty nine LRC M.Ps were returned), marked the point of departure for a 'nationalised' Anti-Socialism. The election result appeared to rule out the main objection to such a strategy; that it was a cause without practical application which only endangered the Unionist cause by a premature attack on the Labour Party. However, with Labour established in Parliament, and allied to a Liberal Party in which the Left seemed strong, the need for a coherent ideological response from the Unionist elites now appeared imperative.

This chapter examines the extent to which the Right was successful in its attempt to reformulate the political debate in terms of a conflict between Socialism and Anti-Socialism. It looks at how the critique of 'socialism' constructed between 1906-1914 cut across existing divisions within the Unionist Party, provoking further discord, rather than acting as a healing force. The fiscal dispute, which had riven the Party since 1903, played the

¹ I use the term "Unionist" to refer to members and supporters of the Conservative-Liberal Unionist alliance.

critical role in determining the nature of Unionist Anti-Socialism between 1906-1910. Tariff Reformers and Free Traders had entirely different perceptions of the Socialist threat, and offered mutually antagonistic remedies based on their fiscal doctrines; be it was the "collectivist", economic nationalism of the radical Tariff Reformers or the traditionalist, minimal statism of the Unionist Free Traders. Both groups, however, saw "socialism" as the critical problem of the near future, and believed that the other's attitude to it involved an unacceptable compromise with it.

(II) The Crisis of Conservatism and the Rise of Labour.

The historiography of Edwardian Conservatism has concentrated on explaining the degree of political and ideological crisis experienced by the Unionist Party between 1903 and 1914. Most historians would concur with Neal Blewett's judgment that: "for a decade the Unionist Party, the great exemplar of political pragmatism, was convulsed by ideological passion."² The resultant "crisis of Conservatism" has been traced to deeper causes than the Fiscal Question; the dominant problem was the Party's difficulty in coming to terms with 'class' politics.³ It has been argued that the Unionists suffered three successive electoral defeats in this period largely because their support amongst the working class electorate was eroded by the social policies of the Progressive Alliance. The "crisis of Conservatism" thesis has thus become an unintended by-product of the protracted debate on the viability of the New Liberalism in the face of the challenge of the Labour

² Blewett, "Free Fooders, Balfourites, Wholehoggors: Factionalism within the Unionist Party, 1906-10" *HJ* 12.1, 1968, p.95.

³ For example the succinct observation of Peter Clarke: "If the politics of the future were to centre on social reform they would raise class issues which the Conservative party would find impossible to accommodate. Only in a social context where class divisions were overridden in importance by other social conflicts could Tory Democracy survive." *Lancashire and the New Liberalism*. (Camb.1971), p.45.

Party.⁴ If the Liberals seemed able to cope with demands of the working classes, then it seemed natural to see the Unionists as more likely to become marginalised in the face of 'Collectivist' legislation.⁵ It is a crucial premise of that thesis that the political initiative had shifted firmly to the Left after 1906, and thus that the Unionist Party's only hope of regaining office was to come to terms with interventionist legislation and gear its appeal more directly to the industrial working classes. A 'negative' resistance to Labour, based on the votes of the property-owning classes was chimerical -- the initiative gained under Salisbury's leadership was irrevocably lost, thus the future of the Right appeared to lie in adapting the policies of the Left.⁶

Such an interpretation is at least intuitively plausible: the Unionists did after all lose three elections in the Edwardian period, and seemed unlikely to win a convincing majority in the 1915 election. Furthermore many Unionists expressed a deep pessimism about their inability to hold working class votes in the existing electoral system and they constantly criticised the outdated methods and policies of Central Office towards this

⁴ For the debate on the "Crisis of Conservatism", see G.Searle, "The Revolt from the Right in Edwardian Britain" in P.Kennedy and A.Nicholls, *Nationalist and Racialist Movements*, (1981) pp.21-39; G.D.Phillips, *The Diehards* (Camb.Mass. 1979); E.H.H.Green, "Radical Conservatism and the Electoral Genesis of Tariff Reform", *HJ*.28.3. 1985 pp.667-692, and "The Strange Death of Tory England" *Twentieth Century British History* 2.1, 1991, pp.667-92; Alan Sykes, *Tariff Reform in British Politics 1903-1913*, (Ox.1979); *idem* "The Radical Right and the Crisis of Conservatism" *H.J*.26.3.1983, pp.661-676; D.J.Dutton, "The Unionist Party and Social Policy" *H.J*.24.4. 1981 pp.871-884; Frans Coetzee, *For Party or Country* (New York 1990), *Idem*, "Pressure Groups, Tory Businessmen and the Aura of Corruption before the First World War" *HJ*. 29.4.1986 pp.833-852; Matthew Fforde, *Conservatism and Collectivism 1886-1914*, (Edinburgh 1990).

⁵ This view is argued forcefully by Green, "Strange Death of Tory England", p.69: "Whatever view one takes of the electoral fortunes of the Liberal and Labour Parties before 1914, the Conservative Party was clearly losing....There may have been divisions of opinion in the ranks of the Progressive Alliance, but the Conservatives were all too evidently engaged in fratricidal strife."

⁶ For example, Dutton, "Unionists and Social Policy" esp. p.872.

problem. Although there is much to be said in favour of the 'pessimistic' interpretation of Edwardian Unionism, it should not be exaggerated into a prophecy of doom until we know more about the position of grass roots Unionism in the 1911-14 period, and until it is recognised that the 'forward' policies advocated by right-wing critics, (and indirectly commended by some historians), probably carried greater political risks than the cautious pragmatism of Balfour and Law on social questions. It would be foolish to underestimate the potential of 'negativism' particularly given the evidence of working class scepticism and indifference to state sponsored social reform in this period, and the likely difficulties a Liberal Government would face from its right-wing as their tolerance for voting new taxes became exhausted.

Even so the challenge of the nascent Labour Party together with the Radical threat to the Constitution and the Union did see the emergence of long-running debate on appropriate counter-strategies for the Unionist Party. This debate did not witness a simple cleavage between 'modernisers' and 'traditionalists'; historians such as Alan Sykes and Frans Coetzee have shown how the idea of a modernising 'Radical Right' is inadequate as an umbrella term to cover all forms of right-wing dissent between 1906-14, whilst those who wanted to concentrate on winning middle class supporters could not be seen as reactionaries given the future development of Conservative support. Alliances within 'dissident' groups were fluid; politicians who were loyalist on one issue were Diehards on another, and most importantly it has been demonstrated that there was no significant convergence between being a dissident and supporting 'modern', interventionist social and economic policies. Different issues produced different perceptions of the problem of Unionist 'modernisation' -- this section looks at how Unionists experienced the threat of Labour and class

politics in the aftermath of the election landslide of 1906.

Unionists of all persuasions were shocked by the extent of their defeat in 1906 and they spent much time pondering the deeper causes of the debacle. Most, especially those from the Chamberlainite faction, were unwilling to view Liberal success as in any way a 'positive' achievement -- as this meant accepting that Free Trade was compatible with the working class desire for social reform. Instead Liberals had merely mobilised atavistic prejudices against food taxes, rallied Dissent against the 1902 Education Act, insinuated about a thin end of an anti-labour wedge with Chinese labour and Taff Vale; in a real sense, winning because of the 'conservatism' of the British electorate. Unionists claimed to be more worried about the unexpected emergence of the Labour Party. Many saw in it portents of a new type of politics dominated by 'class' as the Anti-Socialist intelligentsia had been promising for years. Balfour spoke of such worries to a number of correspondents in early 1906; he told Austen Chamberlain:

We are dealing with forces not called into being by any of the subjects about which the Parties have recently been squabbling, but rather due to a general movement of which we see the more violent manifestations in Continental politics...I am profoundly interested in this development, which will end, I think, in the break-up of the Liberal Party, and perhaps, in other things even more important.⁷

Balfour's Chamberlainite critics shared his hopes that the arrival of Labour spelt the slow death of Liberalism, but they derived very different conclusions about how Unionists should respond to the Labour Party. It had been noted that Labour had performed especially well in Lancashire, the former stronghold of Tory Democracy, taking thirteen seats from the Unionists. Moreover the nature of the Progressive Alliance electoral arrangements -- allowing Labour to expand in industrial areas where the

⁷ Balfour to A.Chamberlain, 17 Jan.1906, Balfour Papers, B.L.Add.Ms.49735 ff.216-7 (Copy). See also Joseph Chamberlain to Margot Asquith, 23 Jan. 1906, expressing surprise at "the Labour earthquake" in J.Amery, *The Life of Joseph Chamberlain* Vol.6. (1969), p.792.

Unionists were traditionally stronger than the Liberals, and to enjoy the benefits of cooperation with the Liberals in two member constituencies -- appeared to leave the Unionists dangerously exposed in the industrial constituencies. Given the continuing loyalty of the working classes to Free Trade, Unionists would have to make an unprecedented effort to win back these voters. Few of the more committed Tariff Reformers thus felt inclined to raise the cry of 'Socialism' against the new Party. As the *National Review* warned: "Few of us realise that...the growth of the Labour Party..will effectively prevent the reappearance of the Unionist Party outside Birmingham. The Labour Party is robbing us of the Tory Democracy which has been the mainstay of the Unionist Party for the past twenty years."⁸

Whilst many 'constructive' Unionists accepted that the Progressive Alliance was not necessarily based on anything more than tactical convenience, they insisted that it was not possible for the Unionists to base their strategy in Opposition on attacking two enemies. Even if the Liberal government was discredited, it was argued, the Unionists would no longer be the automatic beneficiary of the 'swing of the pendulum'. Furthermore Labour was in the enviable position of being able to gain concessions for its supporters, but also free to dissociate itself from responsibility for any failures in the area of social reform. Leo Maxse argued that as Labour could claim the credit for successful reforms, whilst distancing itself from the Government's failures, "the swing of the pendulum may tell more in favour of Labour than of Unionism."⁹ J.L.Garvin, editor of *Outlook* and later the *Observer*, was more sceptical about Labour's actual strength in gaining concessions, but like Maxse, he believed that the Unionists should not reject the Labour Party out of hand:

They are pawns upon the chessboard, and of course they will do nothing for

⁸ "Episodes of the Month", *NR* 48, October 1906, p.204.

⁹ "Episodes of the Month", *NR* 48, November 1906, p.374.

our purposes, though we can and must use them as an instrument by which the Ministerialists could be divided and injured.¹⁰

There was therefore widespread agreement in the Unionist party in 1906 that 'Labour' had to be treated with some caution and respect. Some of the more 'radical' Tariff Reformers claimed to see a greater affinity between their programme of Imperialism and Social Reform and the Labour Party than existed between the latter and sectarian Radicalism. The *Outlook* professed sympathy with the practical concerns of the Labour Party: "We are not afraid of the Labour party. We much prefer its members to the ordinary, anti-Imperialist Radical of the Manchester type."¹¹ Thus it was occasionally contended that there were significant doctrinal affinities between Unionist and Labour conceptions of state intervention, making possible some form of cooperation,¹² or more commonly the assertion that the Labour Party in its present form was *not* Socialist and would lose its working class base if it ever tried to become so. Even the *Times* was to argue that the 1906 election did not mark the arrival of Socialism: "It cannot be too clearly understood that the present election is a triumph of trade unionism, not of Socialism."¹³ A.B.Iwan-Muller, editor of the *Daily Telegraph* and a confidant of Balfour, informed him in an election post-mortem:

There is a world of difference between *voting* for a Socialist and *being* a Socialist...we must try and capture Trade Unionism. What legislation the Radicals may pass in their favour, good or evil, can never be repealed. So that the radicals will themselves have removed some of the chief obstacles to our understanding with the Trade Unions.¹⁴

Although only eccentric 'Tory Socialists' believed that it was desirable

¹⁰ J.L.Garvin to Leo Maxse, 4 April 1906, Maxse Papers 455.

¹¹ *The Outlook*, 20 Jan. 1906, p.24.

¹² See for example "The Attitude of Conservatives to Socialism" *Saturday Review*, 20 October 1906, p.474.

¹³ *The Times*, 10 February 1906, p.10.

¹⁴ A.B.Iwan-Muller "Some Thoughts on the Present Discontent" (Feb. 1906) Balfour Papers, Add.Ms.49796 ff.117-59.

for Unionists to work with the Labour Party in Parliament,¹⁵ except on the rare occasions when this was a tactical necessity, most Unionists believed that a straightforward Anti-Socialist crusade was equally unrealistic as long as the Party retained its image in the working class electorate as an employers' party. Tariff Reform and Taff Vale were the major ingredients in this image -- the former could not be dropped, so Unionists made much of their compromise on the latter. The Unionist leadership therefore decided for reasons of tactical necessity, rather than empathy for social reform, not to oppose the bulk of the Liberals' welfare legislation; instead the Lords would veto 'Radical' legislation to which working class opinion was either hostile or indifferent, e.g. on Licensing, Education and Ireland. The advanced wing of the Party also insisted on revamping the appeal of Tariff Reform by presenting it as inseparable from Social Reform. Thus Joseph Chamberlain called on Unionists in June 1906 to put social reform to the forefront of their message:

The policy of negation is not a sufficient answer to that Socialist opinion which is growing up amongst us...We can only meet Socialism..by suggesting other and better methods for securing all that is good in the object sought for....and as that policy, by whosoever propounded, is a policy which means money...it is clear that, if a great extension is to be given to social reform, the money can only be found by an extension of the basis of our taxation.¹⁶

The most significant concession made by the Unionists however was their acquiescence in the 1906 Trades Disputes Act. Unlike welfare measures, this issue was not bound up in any way with the Fiscal Question -- the decision by the Lords not to veto it was made for transparently tactical

¹⁵ Claude Hay, MP for Hoxton and a proponent of an 'advanced' social policy, advocated cooperation, though not alliance with Labour on social questions in order to outflank the Progressive Alliance, see his article, "Tories and Social Reform", *The Outlook*, 10 February 1906, pp.192-193. His views on this matter were unusual even for a 'radical' Unionist.

¹⁶ Speech to the 1900 Club, 25 June 1906, cited in Amery, *Joseph Chamberlain*, p.893. See also Chamberlain to Goulding, 23 January 1906, Wargrave Papers, WAR.2/27 and J.Parker Smith (a Scottish Chamberlainite) to Balfour, 28 Jan. 1906, BP Add.Ms.49859, ff.131-36.

reasons of appeasing Labour, as Lansdowne openly admitted to his fellow peers that the bill, although vicious in principle, had to be passed to protect the Lords' reputation with the working classes.¹⁷ This involved making a major doctrinal concession. The Act's provision that Trades Unions would be freed from liability for tortious acts committed by their officials appeared to subvert one of the foundations of Victorian jurisprudence; that particular groups could possess legal privileges which were unavailable to other sections of society (though it remained uncertain whether this was the *de facto* position between 1871 and the 1890s).¹⁸ The Act seemed to be a portent of the 'class' legislation which would be the Socialists' means of gaining power. Many Unionists therefore bitterly condemned the leadership's surrender on this issue (see below for the Unionist Free Traders who were particularly hostile, but even 'radicals' like Maxse opposed the Bill), and it was not evident that the Unionists would have suffered in countering a Bill which many Cabinet ministers privately disliked. But the majority went along with it as it seemed to be a symbolic declaration of goodwill towards the working classes; Garvin, at this stage editor of the 'radical' Unionist journal, *The Outlook*, was adamant:

The Opposition may have to fight the Labour Party at the proper time and upon the proper issue. The Trades Disputes Bill is the one issue in the world on which the Labour Party cannot be fought effectively...The Taff Vale decision created the labour group, and...the stampede of tens of thousands of Tory trade unionists in Lancashire and Yorkshire, who had never before given an anti-Conservative vote in their lives.¹⁹

Yet this type of thinking was bound to create a reaction once the extent of the electoral debacle receded. Balfour had no intention of winning back support by producing ambitious social policies -- his main aim was to

¹⁷ *Parl.Debs.* 166, 4 December 1906, cols..703-4.

¹⁸ For succinct criticisms of the Act on these lines see A.V.Dicey, *Lectures on Law and Opinion*, pp.xliv-xlvi.

¹⁹ *Outlook*, 7 April 1906, pp.469-70. See also Garvin to Maxse, 4 April 1906, MP 455.

maintain Party unity based on the most consensual fiscal policy possible, and then concentrate on slowly eroding the Government's aim through essentially destructive criticism in Parliament and the country.²⁰ 'Anti-Socialism' was a plausible instrument with which to accomplish this, and towards the end of 1906 there appeared to be greater justification for it. The Liberals and Labour had quarrelled after Labour had intervened in the Cocker mouth by-election in August (which was won by the Unionists), which provoked a virulently and widely reported anti-Socialist speech from the Liberal whip, the Master of Elibank.²¹ It thus appeared to many moderate Unionists, and the Unionist Free Traders in particular, that the Unionist could recover lost support mainly by appealing to the fears of the middle classes, lost to Unionism at the last election. As Lord Salisbury put it: "Labour is most formidable, but it is eminently a force which leads to reaction."²²

With the successful deployment of the Anti-Socialist message in the London borough elections in November 1906, it appeared that a major strategical division was opening up in the Unionist party between those who believed that Anti-Socialism could undermine efforts to win back the Tory democracy, and another body of opinion who believed that 'Socialism' had changed the whole nature of electoral sociology, and that the greatest need now was for the Unionists to capture all the votes available from defending the propertied classes and the 'respectable' workingmen fearful of trade union tyranny. The *Spectator* thus bluntly stated what many Unionists were

²⁰ As he later told the radical Unionist, Christopher Turnor: "I am entirely in favour of a 'constructive' policy, although the greatest electoral victories that have occurred in my time, e.g Disraeli's victory in 1874, and C.B's in 1906 were due not to construction but criticism." Balfour to Turnor Oct.11 1910, BP.Add.Ms.49861, ff.52-4 (Copy.)

²¹ See the remarks of the Master of Elibank in the *Times* 27 Aug.1906 p.5, calling for "a crusade against Socialism".

²² Salisbury to Selborne, 25 Feb. 1906, Selborne Papers, Box 5, ff.128-137.

thinking in private by the end of 1906: "Two parties....there will be again; but they will no longer be Conservatives and Liberals. They will be Socialists and Anti-Socialists."²³ Fewer and fewer Unionists could be found who continued to dissociate the Labour Party from Socialism; by the end of 1906 the Unionist attitude had swung back strongly towards confrontation with the new Party.

(III) Unionist Anti-Socialism: The Free Traders.

The Unionist Free Traders, (henceforth UFTers), were the most vocal and articulate Anti-Socialists in the Unionist Party. This was not surprising, as they represented the last significant political faction committed to the ideals of classical Individualism. This was perhaps reflected in their political impotence after 1906, consisting of only a rump of MPs in the new Parliament and a moribund organisation in the country. Hence their preoccupations were essentially defensive, with their MPs struggling to avoid deselection in the face of grass-roots pressure from Tariff Reform militants. In such circumstances the UFTers needed an issue which would divert attention from the fiscal question, and preferably one which would also change the shape of that debate, thereby forcing the Tariff Reformers to modify their policies. In 'Anti-Socialism' they believed they had discovered the ideal platform with which to restore their influence within the Party.

The concerns of the UFTers were not merely strategic and tactical; ideology played a crucial role in determining their calculations. They were amongst the doctrinaire groups in Edwardian politics, their dogmatism being further exaggerated by their beleaguered position within the Unionist Party. Their idiosyncratic interpretation of Free Trade, ('Free Trade All

²³ *Spectator*, 22 September 1906, pp.390-1.

Round') had strong affinities with classical Individualism, and with this very traditionalist outlook they saw in Protection another symptom of the drift to Collectivism. As one of their number, A.V.Dicey, put it: "(S)ocialism and protectionism have one feature in common: they both rest on the belief that the power of the state may be beneficially extended even though it conflicts with the contractual freedom of individual citizens."²⁴ At the same time they were amongst the most outspoken critics of the Liberal welfare reforms, seeing in them the betrayal of true Free Trade by the Left.²⁵ Not for nothing did the UFTers see themselves as the last guardians of mid-Victorian orthodoxy, defending a tradition of executive competence and parliamentary incorruptibility that was being subverted by class politics and the caucus system, (with Lloyd George and Chamberlain as their *bêtes noires*). They looked back nostalgically to the ascendancy enjoyed under Salisbury and Devonshire, insisting that Unionist recovery could only come by a return to this style of government.²⁶

This brought strong criticism from 'radical' Tariff Reformers who saw an anachronistic complacency in UFT attitudes due to their unwillingness to adapt to class politics; J.L.Garvin ridiculed their political ideals as combining "the morals of the middle class with the manners of the peerage and the minds of the permanent officials. If one rightly understands what is proposed to us, there would be a regime of High Toryism and low taxation based on the self-denying sufferings of the masses."²⁷ He summed up the

²⁴ A.V.Dicey, *Lectures on Law and Public Opinion*. p.xii. See also the *Spectator* Dec. 28 1907, "Socialism and Tariff Reform" pp.1081-82.

²⁵ Perhaps the most comprehensive UFT critique of the New Liberalism, is A.V.Dicey's introduction to the second edition of *Law and Public Opinion*, pp.xxiii-xciv.

²⁶ For example the remarks of the *Spectator*, 27 July 1907, pp.112-3; "We only ask that the Party should go back to the *status quo*; and to the set of principles which proved so effective and solidifying under the greatest of Conservative ministers, the late Lord Salisbury."

²⁷ Garvin, "The Demagogics of Free Trade" *NR* 51, April 1908 p.214. See also his "Free Trade as a Socialist Policy", *NR* 50, Sept.1907.p.49, where he

'radical' Unionist indictment of UFT Individualism by insisting that "(t)he negative may be a cry; it cannot be a policy"²⁸; a remark encapsulating the differences between the two factions between 1906 and 1910.

Both sides thus had radically differing interpretations of the General Election defeat. The Free Traders insisted that the Unionist debacle was due to the 'innovative' policies and methods of the Chamberlainites, who had subverted the post-1886 Unionist settlement by deliberately pursuing the most divisive version of Tariff Reform. Their demagogic and intolerant methods had succeeded in alienating both middle- and working-class voters; the UFTers thus felt justified in urging the electorate to vote for the 'conservative' policies of the incoming Liberal administration. The UFTers were in general committed to restoring a degree of consensus politics, in order to regain the confidence of those 'conservative' bourgeois voters who made possible the Liberal landslide of 1906. This group was seen as strategically important because it acted as a deterrent to the Collectivist propensities of both Right and Left. Thus the middle classes could be won back only on a 'negative' platform of constitutionalism, opposition to Home Rule and Anti-Socialism. As the Liberals shifted leftward to appease the Labour Party, it was argued, the Opposition should take advantage of the fears of right-wing Liberals by dropping the contentious 'constructive' aspects of its programme; i.e. Tariff Reform.²⁹

This argument appeared wholly unrealistic given the preponderance

condemns the "old Hatfield ideal" of "sound administration but no measures." 'Radical' Unionists like Garvin were clearly fearful of the instinctual appeal of the *Spectator's* line amongst the Unionist hierarchy, see Garvin to Maxse, "Monday" 1907 (July-August? 1907) MP 457: "Social Reform is henceforth going to be very important. It seems *absolutely vital* to kill the *Spectator's* theory that the tariff reformers and Socialists are *bound* to act together."

²⁸ Garvin, "The Falsehood of Extremes" NR 50, Dec. 1907, p.553.

²⁹ See, for example, Strachey to Balfour of Burleigh, 14 June 1908, Strachey Papers, S/2/5/8 (Copy).

of Chamberlainites in the Parliamentary Party, who were able to force Balfour to announce that tariff reform would remain official policy in the 'Valentine' compact of February 1906.³⁰ With 'Retaliation' disappearing as a practical compromise between the fiscal factions, the Tariff Reformers began assail the Free Traders as the scapegoats for the election disaster. The UFTers responded in kind, condemning the Leadership's retention of tariff reform, and countering this by broadening the basis of Free Trade ideology with Anti-Socialist policies. This approach was particularly associated with a new generation of UFT leaders who were younger, generally inexperienced in high politics and more ideologically assertive, like St.Loe Strachey, Hugh and Robert Cecil, Arthur Elliott and Lord Cromer, who replaced the older generation of ex-Cabinet ministers like Devonshire, Goschen, St.Aldwyn and Ritchie. UFT policy was increasingly formulated by this small inner circle, with comparatively little attention being paid to the views of UFTers in the country. This successor group was more uneasy with traditional party ties, more committed to making explicit the ideological underpinnings of Free Trade, and connecting them with wider debate between Collectivism and Individualism. They were increasingly alarmed at the departures made from a 'thorough' Free Trade policy by Unionists and Liberals alike; the former subverting it in external policy, the latter increasingly prepared to undermine it in the domestic economy, by stringently regulating free trade in labour.³¹

This attempt at greater ideological sophistication found particularly cogent expression in Strachey's leader columns in the *Spectator* which

³⁰ For the 'Valentine' affair, see Alan Sykes, *Tariff Reform in British Politics*, pp.100-14; Balfour was forced to announce that "Fiscal Reform is...the first constructive work of the Unionist Party."

³¹ Strachey was a disciple of Sir Louis Mallet, whose conception of 'Free Exchange', as we have already seen, was derived from the French School of Bastiat; see Strachey, *Problems and Perils of Socialism*, (1908), p.25, and *Spectator*, July 31 1909, "The Wisdom of Bastiat" pp.8-9.

redefined Free Trade as an Anti-Socialist ideology. Strachey claimed that the moderate middle class (or "Left-Centre") voter could be won back to Unionism if the Party was prepared to emphasise the fight against Socialism:

The way...to unite the Unionist Party is to substitute for the fiscal programme which divides it, the programme which will unite...If only Mr Balfour would see it, the opportunity lies close at hand. Let the Unionist leader proclaim a vigorous war upon Socialism in all its forms.³²

This strategy was however jeopardised by the Tariff Reformers' susceptibility to 'constructive' policies. Such a commitment, Strachey argued, misunderstood the function of a conservative party in a mass electorate; it needed to educate rather than appease the working class voter, and it could not do this unless its support among the middle classes was solid: "(Unionists) must reject all thought of using the Socialist vote to upset the Liberals, and must make their appeal direct to the moderate and individualist instincts of the nation."³³

UFT disenchantment however grew in the winter of 1906-7 with the Unionist acquiescence in the Trades Disputes Act and Balfour's speeches in February 1907 in favour of Preference and revenue tariffs.³⁴ Some like Hugh Cecil advocated a less assertive line on fiscal issues in order to draw the 'moderates' away from the Chamberlainites. They were opposed by the more fundamentalist Free Traders like Elliott, who still saw the Liberals as their main allies as long as the Fiscal Question remained the major line of

³² *Spectator*, 5 January 1907, "Mr Balfour and the Unionist Party" p.6.

³³ *Ibid*, 1 Sept.1906, "Socialism and Political Parties" pp.285-286. For Strachey's conception of 'Left-Centre' opinion, see his autobiography, *The Adventure of Living*, (1924), pp.439-442; "By inclination I belong to the Moderates. Whether they are called Independents, or Whigs, or men of the Left Centre does not greatly matter." *ibid*. p.434.

³⁴ For the Trades Disputes Act, see *Spectator* 17 Nov.1906 pp.773-4. Strachey criticised the Unionist leadership for attacking 'moderate' Liberal legislation like the Education Act, whilst remaining silent on 'socialistic' legislation. see Strachey to Devonshire, 2 Jan 1907, SP S/5/5/13, and *Spectator*, 5 January 1907, "Mr Balfour and the Unionist Party" p.6. For the events of winter 1907, see Sykes, *Tariff Reform* pp.124-132.

division.³⁵ Such differences within UFT ranks over fiscal strategy appeared to justify its relegation in importance in favour of Anti-Socialism. The summer of 1907 was particularly favourable to such a move, in the wake of the Jarrow and Colne Valley by-elections, which demonstrated that 'socialism' was a live issue in Westminster and in the country. Furthermore the potential of Anti-Socialism had already been demonstrated at the LCC elections in March. Hugh Cecil had drawn the obvious conclusion, (for a Unionist Free Trader), from this result; namely that "the parties who put forward a highly polemical policy of construction are the parties who lose, and the parties who keep their constructive policies on moderate lines and make the polemical part of their propaganda negative are the parties who gain."³⁶

The marginal status of the Free Traders was enough of a problem, but coupled with internal discord, it appeared there was no future for them; hence their eager embrace of the 'socialist' issue in late 1907. This shift in direction was marked by their use of the Individualist British Constitution Association rather than the UFT Club to broadcast their policies to the public. Unlike the Club the BCA was able to appeal to right-wing Liberals and conservative Tariff Reformers without arousing suspicion. Lord Hugh Cecil, who became President of the BCA in early 1907,³⁷ worked with Strachey to present the Association as an 'independent' forum for Anti-Socialists of both parties. As a result reactionary Tariff Reformers like Sir

³⁵ See Elliott's criticisms of Cecil, Elliott to Strachey 11 July 1907, SP S/16/1/12

³⁶ Lord Hugh Cecil, Presidential Address to the British Constitution Association, 4 March 1907, reprinted in M.Judge, *Political Socialism: a Remonstrance*, (1908), p.37.

³⁷ See Mark Judge to Cecil, 17 Dec.1906, Quickswood Papers, Hatfield House, Qui.2/6/151. See also Cecil to Balfour, 15 Jan.1907 BP.Add.Ms.49759 ff.174-5. In 1908 Cecil was succeeded by Balfour of Burleigh as President of the BCA; the Council included Cromer, Sir Philip Magnus, Avebury as well as Charity Organisation Society activists like Sir William Chance and Thomas Mackay.

Frederick Banbury and Sir Howard Vincent were recruited, Strachey optimistically believing that "I...think we ought to do all we can to wean Tariff Reformers from any idea of an alliance with the Socialists, such as Milner seemed to foreshadow in his speech, and which Chamberlain certainly contemplated."³⁸ This strategy had two main purposes; to detach the Unionist mainstream from the Chamberlainites, and to strengthen the hand of those within the UFT group who wanted to avoid a rapprochement with the Liberals. It failed because no figure of importance in the Party leadership was prepared to drop the 'soft' line on social reform in order to gain the allegiance of the Free Traders. The Tariff Reformers who did appear sympathetic to Strachey's Anti-Socialist Individualism were marginal, ultra-reactionary figures like Banbury.

It thus appeared that the Liberal Right would make better allies in an Anti-Socialist movement of the political 'centre' and approaches were made to sympathetic figures, in particular Lord Rosebery. He had already revealed his disillusion with the Government's social policy in a speech to the Liberal Imperialist group, the Liberal League in March 1907:

The Liberal Party may through some of its members find itself permanently connected with hostility to property in all its forms. If so, I venture to predict that, at no distant time, it will find itself squeezed out between Socialism and Conservatism. Socialism can promise much more to the predatory elements in politics; Conservatism can afford much more confidence to those who wish to keep things as they are. ³⁹

Liberal discontent was heightened with Asquith's announcement in the 1907 Budget that Old Age Pensions were to be introduced in the near future. As Strachey pointed out this was their greatest opportunity to date: "It is

³⁸ Strachey to Cecil, 10 April 1907, SP S/4/3/7, (Copy). See also Cecil to Beasley, 27 March 1907 S/4/3/7 (Copy).

³⁹ Speech reprinted in Lord Crewe, *Lord Rosebery* Vol.2 (1931), p.596. Sykes stresses that many Liberal Leaguers were unhappy with the speech; *Tariff Reform*, pp.153-155. For a corrective to over-simplistic views of the relationship between wealthy Liberals and the main Party see G.R.Searle, "The Edwardian Liberal Party and business" *EHR* 98, 1983, pp.28-60.

against this specific proposal that all who are *bona fide* Anti-Socialists should now concentrate their efforts."⁴⁰ In furtherance of this belief Strachey attempted to organise a Rosebery-Devonshire axis in August-September 1907 under the aegis of the BCA.⁴¹ The ultimate purpose of these negotiations is unclear as there is no evidence that a separate party was being considered, instead it appears that the UFTers believed that Rosebery's involvement would persuade Balfour to rethink his priorities in the wake of the post-Colne Valley socialist scare.⁴²

The setback in the talks with Rosebery encouraged UFTers to look again at the Unionist moderates like Long and Curzon, who it was hoped would persuade the Leadership to emasculate the tariff policy in the build-up to the National Union conference in November. The Conference would be presented as the reunion of the Party to the grass-roots supporters; a crusade against socialism could then commence. This unlikely scenario perhaps reflects the desperation of many Free Traders by the end of 1907, especially the MPs faced with deselection by their constituencies due to the activities of the pro-Chamberlainite 'Confederacy'.⁴³ To counter this threat, the Free Traders called on Balfour to accept a Royal Commission on Fiscal Policy, effectively putting the policy in cold storage.⁴⁴ Balfour's Birmingham speech practically ended these hopes and demonstrated that the UFT plan

⁴⁰ *Spectator*, 20 April 1907, "The War against Socialism" p.596.

⁴¹ See Strachey to Rosebery, 29 July 1907, SP S/12/7/3 (Copy), for his claim that the BCA upheld "the spirit of the old Liberalism and the old Whig principles for which you stand."

⁴² For the negotiations see the correspondence in the Strachey Papers, S/12/7/2, S/12/7/4 and S/5/3/5. For the breakdown, Rosebery to Strachey Sept.5.1907 S/12/7/6, For criticism of the plan, see A.R.D.Elliott to Strachey 13 August 1907, S/16/1/15.

⁴³ See Alan Sykes "The Confederacy and the Purge of the Unionist Free Traders", *HJ.* 18, 1975, pp.349-68.

⁴⁴ The Royal Commission idea was discussed by Strachey and Curzon in early November 1907, the latter politely deprecating the idea, see Strachey to Curzon 4 Nov.7 and his reply 6 Nov.1907, SP S/4/17/9 (Copy). For Balfour's dismissal of the idea, see Balfour to Long, 5 Nov.1907, Walter Long Papers B.L.Add.Ms.62412, ff.23-24.

to detach the issues of Tariff Reform and Anti-Socialism had failed.⁴⁵ Balfour's commitment to a linked fiscal and social reform strategy ran against everything the Free Traders had been saying since the General Election.

The initial hopes of some 'moderates' that the Birmingham Conference would strengthen their own position by appeasing the Free Traders were soon dashed.⁴⁶ The attempts by Walter Long and Lord Robert Cecil to effect some sort of arrangement in the constituencies represented by Free Traders broke down at the end of the year.⁴⁷ Consequently the beginning of 1908 saw UFT attitudes harden with the possibility of secession from the Unionist Party being seriously entertained. This marked a change on the Anti-Socialist strategy pursued the previous year, the main aim of which was to stimulate sufficient fear of the Labour Party amongst Unionists that they would be sympathetic to the 'negative' message of Anti-Socialism. This policy had radically misconceived the nature of moderate Unionist opinion, which was using its modest social policy to dissociate the Party from the accusation of being too sympathetic to 'laissez-faire.' The dogmatism with which many of the Free Traders argued their case thus alienated potential allies, and made the Unionist Leadership more unwilling to intervene to help UFT MPs faced with deselection.

This had been made clear by Lansdowne in his discussions with Lord

⁴⁵ For a 'radical' Unionist critique, see *Morning Post*, 28 October 1907, p.6: "Underlying the *Spectator's* suggestion is the assumption that Tariff Reform and Anti-Socialism are rival candidates for the premier position in a sound national policy...Our contemporary evades giving any definition of "socialism" but refers to it in a way which seems to identify it with....social reform."

⁴⁶ E.g. W.Kenyon-Slaney to Walter Long, 22 Nov.1907, WLP Add.Ms.62412 on belief that UFTers would be won over by the Birmingham speech.

⁴⁷ For Robert Cecil's exasperation at extremists on both sides: "No-one would care a straw what Leo Maxse or St.Loe Strachey said if they were repudiated by their moderate friends." Cecil to Sir Philip Magnus, 22 Dec.1907, Walter Long Papers, Wiltshire Record Office 947/444.

Cromer in January 1908.⁴⁸ Lansdowne's refusal to guarantee that UFT MPs would have a free run at the next election demonstrated the limited value that the Free Traders had for the leadership. Some UFTers however continued to believe that their support was crucial for Balfour, thereby demonstrating a wilful blindness to the meaning of the Birmingham speech; a sanguine Strachey told Balfour of Burleigh in early January:

It seems to me to come to this. The Balfourites know in their hearts that they cannot win without us but they think we can be got without paying the price owing to our natural indignation....(at) the present Government. It is our business to make the bulk of the Unionist Party realise that we cannot be got without a full price being paid.⁴⁹

This resulted in an attempt to sow discord in the Unionist ranks by intervening in the Manchester North-West by-election.⁵⁰ Manchester North-West was the city's business seat, with a large middle class electorate and Free Trade-inclined business community; in 1906 it had returned the ex-UFTer, Winston Churchill, but it was believed that an anti-Liberal reaction had already set in due to the Government's legislative radicalism. It was thus seen as an ideal seat to test the validity of UFT theories about the disillusionment of middle class voters with both Radicalism and Tariff Reform. The UFTers' confidence appeared justified when they persuaded the prospective Unionist candidate, William Joynson-Hicks, who was not a Free Trader, to drop Tariff Reform from his election platform in favour of a purely anti-Liberal and anti-Socialist message. The UFTers worked hard to establish a credible challenge in the constituency in the winter of 1908 as it

⁴⁸ See Cromer to Lansdowne, 27 Jan.1908, Cromer Papers (typed transcript), FO.633/18 ff.304-312, and Lansdowne's reply, 30 Jan. *ibid*, ff.22-27. Cromer emerged as the effective leader of the Free Traders on the death of Devonshire in the same month.

⁴⁹ Strachey to Balfour of Burleigh, 14 January 1908, SP S/2/5/8 (Copy).

⁵⁰ For Manchester North-West see Peter Clarke, "The End of Laissez-faire and the Politics of Cotton" *HJ* 15.3, 1972, pp.502-12. The UFTers believed that if they were successful they could force Central Office to guarantee them a quota of seats (mainly in Lancashire) in the next election, see Strachey to Cromer, 28 Jan.1908, SP S/16/2/10, (Copy).

was expected that a by-election was imminent due to Churchill's recruitment to the Cabinet. This proved to be the case when Asquith took over the premiership, and the election was fixed for late April. However despite Hicks' belief that Tariff Reform could be avoided, he was unable to carry out his promise after Central Office threatened to withhold their support and the Tariff Reform League indicated they would run a candidate against him.⁵¹ Thus when the by-election was fought in April 1908, Hicks stood and won on a conventional Unionist platform.⁵²

The failure to establish a centre of power within the Unionist Party encouraged the UFTers to consider some form of secession. The idea of a UFT-Liberal Imperialist alliance was revived with the idea of a new Anti-Socialist 'Centre' Party. The earlier discussions with the Liberal Right broke down not only due to Rosebery's diffidence but because many Liberals saw no reason for disloyalty to the Government in the absence of any genuinely radical social legislation. However by the spring of 1908, the full cost of the Pensions scheme was becoming apparent and further reforms were promised. The UFTers warned the Liberal Right that Pensions were a socialistic negation of pure Free Trade principles.⁵³ Although the grounds for

⁵¹ See Lansdowne to Cromer, 14 March 1908, CP FO.633/18, ff.42-4, Sandars later criticised the very idea of diluting Tariff Reform as a vote loser, see Sandars to Balfour, 1 May 1908, BP Add.Ms 49765, f.131.

⁵² The UFTers continued to be divided over the by-election; for support see *Spectator*, 2 May 1908, "The Manchester by-election" p.692 which interpreted Hicks' success as a victory for Anti-Socialism. For a UFTer supporting Churchill, see Elliott to Cromer, 17 May 1908, CP FO.633/18 ff.51-55. The evidence suggests that Hicks, whilst not fighting specifically on the tariff issue, did not deploy the Anti-Socialist message in the way suggested by UFTers either. His election addresses and post-victory speeches show Hicks to have concentrated on criticising all Government legislation, in particular on Education (where he poached Catholic voters), Licensing, Miners' Eight Hours and Home Rule. At the same time he proclaimed his acceptance of the Birmingham policy. See *Morning Post*, 17 April 1908, p.5, 20 April, p.4, and 25 April, p.7.

⁵³ See Strachey to Elliott 22 April 1909, SP S/16/3/7; (Copy) for criticism of Liberal pension plans. Cromer was also a noted critic of Pensions: "...what finally drove me into the Conservative ranks was the Old Age Pensions Act." CP FO.633/28 ff.24-5.

ideological rapprochement appeared strong, however as both sides had differing conceptions of the function of the Centre Party and Anti-Socialism, the idea was ultimately still-born. The Liberal Leaguers wanted the UFTers to defect to the Liberal Party to strengthen the position of the Right in the conflict with the Radicals. The UFTers appear to have been divided as to whether they wanted the Liberal defectors as allies in a new party or merely additional recruits to their faction within the Unionist Party. Initially UFTers believed that right-wing Liberals would be so disgusted at the Government's social reform proposals, they would defect without preconditions, but it soon became apparent that the real pressure was being exerted on the UFTers, given Balfour's complaisant attitude to the Chamberlainites in the winter of 1908.⁵⁴ A 'Conservative' Free Trader like Hugh Cecil argued for this latter line:

A Centre Party may...prove a stepping stone to the reconstruction of the Unionist Party on a Free Trade basis. If the Unionist Free Traders and the Imperialist and anti-Socialist Liberals join forces, they would make a body so powerful that a main body of the Unionists could hardly resist the temptation to purchase their support.⁵⁵

Therefore neither group appeared willing to add anything of substance to the Centre Party idea (which in any case was a non-starter without proportional representation -- a system favoured by many UFTers.) Negotiations between the Club and the Liberal League in late-February soon revealed these diverging paths. Strachey complained to Rosebery:

I understood the idea to be the foundation of a Real Centre Party with Anti-Home Rule, Anti-Socialism and Anti-Little Englandism as its main platform...I also understand that if we Unionist Free Traders join it, it would be a new party and not the Liberal League...We must have a new name like Centre or National Party which makes it clear that we have not joined the Liberals.⁵⁶

⁵⁴ See Strachey to Robert Cecil, March 5 1908, Robert Cecil Papers B.L.Add.Ms.52158, ff.194-5.

⁵⁵ Cecil, "Memo. on Possible Consequences of the Formation of a Centre Party", February 1908, Quickswood Papers, Qui 2/9/43-5.

⁵⁶ Strachey to Rosebery, 21 Feb. 1908, cited by Sykes *Tariff Reform* p.170.

These apprehensions were not allayed and the talks ended in stalemate at the beginning of March 1908.⁵⁷

The reasons for failure were not simply organisational, they were due also to the political role 'Anti-Socialism' was expected to play. The putative Centre Party's espousal of Anti-Socialism as a core doctrine proved wholly uncontroversial and this was a weakness; it had failed to demonstrate how it could alter wider political allegiances, rather than act as a means of stifling the fiscal dispute. Furthermore the idea was posed at an inappropriate time with the main body of Unionists seemingly united after the 1907 Conference and with the by-election successes in early 1908. It seems that most UFTers saw the 'Centre' Party less as a separate political entity and more as a kind of counter-Confederacy within the Unionist Party.⁵⁸ There is no firm evidence that either the UFTers or the Liberal dissidents wished to use the Party for aggressive intervention in by-elections, though it might have functioned as a refuge for deselected Free Trade MPs.

The failure of the Centre Party idea to gather any political momentum reflects some of the deeper contradictions of Anti-Socialist Individualism between 1906-9; it lacked the opportunity to deploy its ideology in any political issue of significance. One of the most viable issues for Anti-Socialists was the question of high taxation, an issue which could easily exploit both middle- and working class sentiment. After all, it was this issue together with the hostility to an expanding bureaucracy which

⁵⁷ See Strachey to Robert Cecil, 27 Feb 1908, SP S/4/4/1 (Copy) on need to show that Liberal Leaguers had broken away from Liberal Party. For the breakdown see Strachey to Rosebery, 28 February 1908, SP S/12/7/7 (Copy) and 13 March 1908, S/12/7/8, (Copy) expressing disappointment at Rosebery's muted criticisms of the Government at a Liberal League meeting.

⁵⁸ Cf. Strachey to Cecil, 22 Feb. 1908, RCP Add.Ms 51158, ff.184-87. Balfour's exasperation at this sort of argument is recorded in remarks to Selborne, 6 March 1908, BP Add.Ms.49708, ff.131-42 (Copy).

misused the taxes, which provided the basis of the LCC election victory, rather than any direct attack on the Labour Party. It was tempting to apply a similar strategy on the national level, particularly as it appeared as a painless way of uniting the Right. It foundered in the face of the Unionist majority's commitment to Tariff Reform, which with its promise of 'taxing the foreigner' to pay for social reform was seen as an equally plausible Anti-Socialist strategy. There was never any question of the Unionists opposing pensions *per se* in order to win over disaffected Liberals. This situation might have altered if there had been serious concern within the Liberal right-wing over the cost of the Government's social programme, but such dissent was always limited and proved a constant disappointment to the Free Traders;⁵⁹ not only was the potential cost of the Government's reforms unclear in early 1908, but when funding did become a problem in 1909 they were able to raise the necessary revenue without causing great economic pain to Liberalism's main social constituencies. Furthermore with the Opposition committed in principle to reforms like Pensions, there was little chance of launching a campaign against 'socialistic' legislation, as was intended by the BCA.

The fact that the UFT version of Anti-Socialism appeared to lack any positive content was of more consequence than usual given the Unionist's need to regain public credibility and their perceived hostility to the working class. The political strategy of men like Strachey and Cromer was unashamedly geared towards the propertied voter.⁶⁰ They believed firmly in

⁵⁹ This also proved something of a disappointment for the Liberal Left, witness Hobson's hostile comments on old-fashioned Liberalism in *The Crisis of Liberalism*, (1909), pp.136-7.

⁶⁰ For Cromer's political outlook see Zetland, *Lord Cromer*, p.326: "To Cromer's logical mind the cult of Tory Democracy was a mere contradiction in terms...Conservatives could appeal to the working classes by educating them, and showing them that Socialism was diametrically contrary to their own interests." See also the remarks in CP FO.633/28, "Memo. on Work Done 1907-11."

the necessity of tax cuts as the basis of a constructive platform; as Strachey explained the UFT folk wisdom; "He who prevents a rise in taxation, and still more, he who lowers taxation, is always and necessarily a public benefactor."⁶¹ By the summer of 1908 such views were in any case rather unreal. Anti-Socialism was proving to be an inadequate doctrinal cement even within the Unionist Free Trade cause. Those like Elliott and James who had the strongest commitment to Free Trade *per se*, and thus felt less hostility to the Liberals, saw little practical value in the emphatic endorsement of Anti-Socialism by the Cecils, Cromer and Strachey. Indeed such a strategy could appear as covert device to de-emphasise fiscal orthodoxy for the sake of Party unity; as Leonard Darwin explained: "The differences in our ranks depend finally...on the relative importance attached to Free Trade, in comparison to whether we are in accord with the Unionist Party." He recommended that the 'pure' Free Traders join the Liberals.⁶²

The more 'Conservative' Free Traders for their part expressed a greater willingness to compromise on tariffs, offering to support a modest revenue tariff in exchange for official tolerance and a repudiation of the Chamberlainites.⁶³ UFT hostility to the Liberals was heightened by the 1908 Budget when Asquith had remitted over three million pounds from the sugar duties, a move calculated to appeal to the working class, but considered dangerous with the cost of the Pensions scheme not finalised.⁶⁴

⁶¹ *The Problems and Perils of Socialism* p.99. He did however believe that the burden of working-class taxation should be reduced, see his article "Does the Workingman Contribute a Sufficient Proportion of his Income to the Revenue?" *NR* 47, April 1906 pp.242-8, where he argued for the removal of indirect taxation on the lowest paid and a small income tax on the better off workingmen.

⁶² Darwin to Cromer, May 1908, CP FO.633/18, ff.48-50.

⁶³ See Cromer's remarks to the AGM of the UFT Club in June 1908; "I...sympathise to a far greater extent with the moderates among the tariff reformers who only want to impose indirect taxes for revenue purposes.", *Times* 3 June 1908, p.11.

⁶⁴ Cf. Cromer to Mallet 23 February 1910, CP FO.633/19, ff.154-6.

Yet the tractability of those like Cromer and the Cecils to the revenue tariff was ironic given Balfour's claim at Birmingham that it would be used to fund an extensive social policy. The UFTers mistakenly viewed it merely as a short-term expedient to correct shortfalls in revenue for unavoidable expenditure like the naval programme. By the close of 1908 Cromer was advocating closer cooperation with Unionist moderates but with little hope of winning over the Leadership to his policies.⁶⁵ Some Free Traders balked at this suggestion but most, especially MPs in threatened seats like Robert Cecil, saw no alternative.

This was perhaps unavoidable given the nature of their ideological stance; Free Trade Anti-Socialism had been manipulated essentially as a means of drawing the Unionist mainstream away from the Chamberlainites. It is likely that few Unionist MPs were enthusiastic about the social reform plans of their 'radical' colleagues', but they could, and indeed had to, find common ground on the Fiscal Question. An equally damning rebuttal of the UFT position came in the series of by-elections won by the Unionists after 1907 on the apparent popularity of tariffs; there appeared to be little evidence of Strachey's Left-Centre electorate upholding the purity of respectable Individualism.⁶⁶ The conclusion to be drawn from this version of Anti-Socialism was that it was only likely to be effective when the Unionist position in the country was greatly improved, when the UFT position in the Party was much stronger and when there was strong evidence of the middle class electorate's backlash against high taxation and the appeasement of the working class. The likelihood of these factors coinciding after 1906 was however extremely slim; Garvin's jibe that the UFTers' dilemma resembled

⁶⁵ See Cromer's Memorandum dated December 1908, CP FO.633/18, ff.99-113.

⁶⁶ Peter Clarke's perceptive remark about the 1910 elections applies here: "It was Conservatism that bred scepticism over Free Trade, not *vice versa*. So by 1910 the orthodox Tariff Reform formulas fell easily from the lips of loyal Tories who had only a few years earlier taken Free Trade for granted." "Politics of Cotton", p.511.

"Euclid's definition of a point -- position without dimension" proved to be closer to the truth.⁶⁷

(IV) Anti-Socialism: The Radical Tariff Reformers.

The Unionist Free Traders were attacked by Tariff Reformers for more than their attitude on the Fiscal Question; Tariff Reform criticism also reflected a deeper disagreement about the Unionist Party's role in a modern industrial democracy. According to the 'radical' wing of the Tariff Reform movement, modern conditions dictated that only two fundamentally antagonistic allegiances would determine future politics -- those of class and nation.⁶⁸ The rise of Socialism merely brought this conflict out into the open after years of Liberal denial of the cleavage; Socialism was to be welcomed in so far as it hastened the demise of Liberalism. The emergence of Socialism pointed to the necessity of dealing with social questions in connection with the broader economic and geopolitical problems of British power; it merely added a new dimension to the National Efficiency question.⁶⁹

The response of the radical Tariff Reformers was a programme of 'social imperialism' which used the full Chamberlainite tariff policy as a means of national and imperial reconstruction. They claimed that such a policy was a more realistic response to the modern world than either

⁶⁷ Garvin, "Demagogics of Free Trade," p.214.

⁶⁸ Unlike the UFTers, the 'radical' Tariff reformers lacked a formal institutional identity. To some extent they overlap with the Confederates and with the imperialist discussion group, the Compatriots' Club. They are not strictly synonymous with the 'Chamberlainites,' as many of the latter were suspicious of social reform (e.g Bonar Law). I include such figures as Austen Chamberlain (with reservations), J.L.Garvin, Edward Goulding, Leo Amery, Lord Milner, W.A.S.Hewins, Fabian Ware, and Leo Maxse as being 'radical' Tariff Reformers.

⁶⁹ On the 'National Efficiency' movement, see G.R.Searle *The Quest for National Efficiency* (Oxford 1971), R.J.Scally *The Origins of the Lloyd George Coalition* (Princeton 1975).

Liberalism (or 'Cobdenism') or Socialism as Tariff Reform was the only political programme which took seriously the problem of national decline in an increasingly competitive international economy. Protection would encourage concentration of resources in domestic industry and aid the restructuring global and domestic markets as a result of the opportunities offered by the integration of the British Empire. It would require an *étatiste* strategy to be worked out, with the protection of home industry and the guarantee of an imperial market providing employment for the workforce, together with measures of social reform and the regeneration of the countryside. The *Saturday Review* saw more common ground between the Unionists and the Socialists, than with the Liberals in their common willingness to support state intervention:

Socialist economics, looking to the state and not to the individual as the unit of action, holding that everything the State can do it should do in preference to unregulated individual agency....is far more in agreement with the economic position of the Tory party..than individualist economics.⁷⁰

In fact such views became increasingly marginal once 'Socialism' was firmly established as a political issue. Many Tariff Reformers, including nominal 'Chamberlainites' like Andrew Bonar Law, did not share the ambitious plans of the 'radicals'. Their political purchase was further reduced by the absence of Joseph Chamberlain after mid-1906, the one figure who might have succeeded in popularising a 'forward' policy amongst both the Party and the electorate. The 'radicals' thus remained a pressure group of only intermittent effectiveness, and were soon made aware of the prevailing Unionist aversion to 'construction' as a political strategy. The 'radicals' did try continuously after 1906 to impose some form of constructive programme on the Unionist Party, but apart from brief (and

⁷⁰ *Saturday Review*, 24 August 1907, p.226; see also W.A.S.Hewins, *The Apologia of an Imperialist*, vol.1, (1929), p.3: "The Empire movement...is not a reversion to protection, but a revolt against the individualistic conception of society..."

illusory) moments like Balfour's Birmingham speech in 1907, they failed to put social policy to the centre of the Unionist programme. A revival of Tory Democracy in a 'positive' Anti-Socialist mould was not forthcoming.

As was mentioned earlier in the chapter, one of the main worries of the 'radicals' was that the Party of Property was at a natural disadvantage after 1906. Liberal commitments to social reform in the face of pressure exerted by an ambitious Labour Party ruled out a Unionist retreat into the ghetto of middle class politics. The warnings of the *Outlook* were typical:

The Unionist Party in 1906 cannot be more reactionary than the Conservative Government of 1875 if it entertains any serious design of recovering the confidence of the people. There have been some signs of late of a fossilised attitude upon social questions such as would have been impossible in Lord Beaconsfield's time or in the great constructive days of the Unionist Coalition.⁷¹

The 'radicals' thus insisted on the linkage of fiscal and social reform to counter the appeal of class politics and the reactionary complacency of the UFTers. As Ronald McNeill warned: "(h)aving thrown over Cobdenism in the matter of import duties (Unionists) must not cling to Cobdenism as regards other aspects of the industrial system."⁷² They contended that Tariff Reform on its own was not only a political liability, it was also inadequate to fulfil the most ambitious aspirations of the radicals' 'productionist' ideal. The 'radicals' believed that the root of Britain's problems lay in insufficient and inefficient productivity, contrasting their ideal with the Liberal-Socialist obsession with redistribution, a policy which failed to tackle the underlying weaknesses of the economy. Thus for these Unionists, welfare measures were justified by their indirect contribution to increased productivity rather than to any claim in 'social' justice. The most sophisticated versions of their

⁷¹ *The Outlook* 17 Nov.1906 p.626. See also Garvin to Maxse 4 April 1906, MP 455; "...the Unionist Party has suffered extremely in the last twenty years by absorbing the middle classes, and ...is much less vital and doing in the sphere of social reform.."

⁷² Ronald McNeill, "Socialism" in Lord Malmesbury, ed., *The New Order*, (1908), p.330.

social policy reflected this conviction; they included reforms of the Poor Law, old age pensions and social insurance to register the employed population and take the most vulnerable and inefficient members of society out of the labour market, improved technical education including a revitalised apprenticeship system, district boards to deal with wages in 'sweated' industries, and land reform and agrarian education. Such measures would have the cumulative effect of increasing the productivity of the national economy whilst improving working class *morale* at the same time.⁷³ Nevertheless the key social problem identified by the 'radicals' -- unemployment -- was one which was best dealt with without massive state intervention; the protected national economy would itself stimulate employment, and cut away support for the Labour Party.⁷⁴

This belief reflected no commitment to full-blown *dirigisme* (and the 'radicals' did not have any clear conception of the state as an economic actor), but they were bitterly critical of the Government's inertia when faced with a 'flight' of capital from Britain largely caused, they alleged, by its 'socialistic' policies. They criticised any attempt to buy off the working classes with 'doles', in order to correct the maladies caused by Free Trade, believing it encouraged the country's decline as a manufacturing economy -- George Wyndham feared Free Trade finance "(would) turn us into a nation of bankers and commission agents, supporting armies of unemployed loafers."⁷⁵

The political problem for the 'radical' Tariff Reformers was not

⁷³ For a concise explanation of Unionist social reform in this period see Leo Amery, *My Political Life*, vol.1, (1953), pp. 253-254.

⁷⁴ For the importance of unemployment see William Bull, "Social Legislation" in G.Beckett, and G.Ellis, eds., *The "Saturday" Handbook for Unionist candidates, speakers and workers*, (1909), p.277: "The whole working class problem is a problem of employment." and G.Raine, *Present day Socialism and the Problem of the Unemployed*, (1908).

⁷⁵ Wyndham to his father, 4 November 1908, in J.W.Mackail and Guy Wyndham, *Life and Letters of George Wyndham*, (1925) pp.620-1.

whether there would be a social programme but how it was to be financed. This recognition underlay their conception of 'Socialism' which they saw less as a question of public ownership or 'socialistic' legislation than as a subversive form of redistributive taxation, which would ease the planned socialisation of property by undermining the confidence of private enterprise.⁷⁶ The Liberals would fund social reforms through direct taxation, fully encouraged by the Labour party, whilst allowing domestic industry to stagnate under Free Trade; the result would be declining domestic investment and rising unemployment. 'Free Trade Finance' was therefore nothing more than a doomed Liberal tactic of buying off the Labour Party with doles, which would eventually undermine the whole policy. The anti-revolutionary temper of contemporary socialism was dangerous because it encouraged complacency amongst the Liberals about the feasibility of the existing fiscal system; thus J.L.Garvin could title one of his articles "Free Trade as a Socialist Policy" without any sense of contradiction. He warned that "(b)y subsidising all the purposes of the masses henceforth out of the means of the classes, Free Trade makes direct taxation deadly to capital and promotes Socialist objects."⁷⁷

The core of the radical Tariff Reformers version of Anti-Socialism was therefore a critique of Liberal fiscal policy, and the indirect encouragement it gave to the Labour Party. The real danger faced by Unionists and Moderate Liberals alike was their deflection into criticising 'socialistic' welfare reforms *per se*, and thereby risking the alienation of the working class voter; instead such voters had to be made to understand that the financial underpinnings of such reforms threatened their long-term

⁷⁶ For example *The Outlook*, 6 Oct.1906, p.449: "The Alpha and Omega of Socialism is the nationalisation of capital. All the vague talk to the effect that we are all Socialists means nothing. Socialism everywhere has the same programme and it is different from all other programmes."

⁷⁷ Garvin, "Free Trade as a Socialist Policy", p.53.

economic interests. Garvin neatly summed up what was at stake in Edwardian politics for the radical Tariff Reformers:

The critical struggle of the next decade will be concerned not so much with immediate legislative purposes as with financial means...For all purposes of our time, what we shall have to grapple with is not the Utopian creed, but the Budgetary method. The Socialists do not aim in the first instance at anything so heroic and stupid as a measure for the summary transfer of the profits of property -- Practical Socialism, in a word, does not depend upon in the least upon the vision of the millenium. It is a system of finance -- a system of taxation -- a system of direct taxation.⁷⁸

The 'radicals' considered their counter-strategy to be anti-Collectivist, and the 'socialistic' aspects of their ideology should certainly not be exaggerated.⁷⁹ They were strongly critical of public ownership at a national and municipal level and associated the New Liberalism with an aggressive bureaucratic attack on individual freedom and enterprise. Tariff Reform was, in turn, seen as offering a constructive aid to private business, both by ending the 'socialistic' attack on domestic capital and positively by restoring prosperity and industrial peace through the tariff system. Many of the proposed welfare reforms, like national insurance and pensions were also garbed in a traditionalist rhetoric of individual responsibility; pensions were to have a contributory element, insurance would encourage responsibility in the worker and his family, peasant owners would encourage the diffusion of private property. The administration of these reforms would be largely in the hands of traditional voluntary agencies like the Friendly Societies not a

⁷⁸ Garvin, "Free Trade as a Socialist Policy" pp.49-52. See also J.H.Balfour Browne "The Coming Social Revolution" *NR* 48, Nov.1906, p.444. Compare with the remarks of Keir Hardie in 1906: "It is Budgets, and not barricades, which chiefly interest practical Socialists. 'Taxation to extinction of the unearned increment' has taken the place of 'death to the capitalist classes'." cited by H.Emy "Financial Policy and Party Politics before 1914" *HJ*.15, 1972, p.118.

⁷⁹ As it is by Scally, who speaks of "a socialism of the Right, of order, social hierarchy, bureaucratic control.." and claims "The Tariff Reform League..inherited from its leading theorists the Fabian-composed lexicon of state socialism -- contemptuous anti-individualism, social 'engineering', efficiency, expertise and bureaucracy." *Lloyd George Coalition*, pp.49, 104. Such a view would not survive close investigation of the 'radical' Tariff Reform literature.

swollen State bureaucracy. All these reforms were underpinned by conservative notions of taxation; tariffs would increase national revenue but would not benefit any particular class, a fact made all too obvious by the proposed food taxes. This appeared to be the old Conservative doctrine of taxation according to benefit with merely the incidence of taxation altered. Most Tariff Reformers indignantly denied they were engaged in 'vote-buying', as alleged by the UFTers. The traditionalism of their beliefs is well brought out in the remarks of one of the leading 'radicals', George Wyndham:

There are only two plans. Socialistic and Imperialistic. Look at the first. Increase direct taxation and rates, to feed and clothe the child and to pension his parents. Borrow money to build them a better and more expensive home. What happens? Higher taxes drive capital abroad. Higher rates prevent erection of factories and workshops. Ends in turning England into the Poplar and West Ham of Europe.⁸⁰

Between 1906 and 1910 the radical Tariff Reformers attempted to win assurances from the Party's moderates that a credible social policy would be forthcoming to counter the appeal of 'socialism' amongst the working classes. They connected this problem with their wider doubts over Balfour's Leadership; that it was too negative and procrastinating and was distant from the concerns of the average voter. They also understood that the most effective way of committing the Party to the Chamberlainite version of Tariff Reform was to emphasise the need for social reform, a policy which automatically demanded high revenue tariffs.⁸¹

Concern about the drift of Unionist policy, especially in the area of

⁸⁰ Wyndham to Philip Hanson, 9 Dec. 1907 quoted in Guy Wyndham, *The Letters of George Wyndham* (Edinburgh 1915), p.266.

⁸¹ A point shrewdly noted by the *Spectator*, 30 June 1906, "The Chamberlain plan of campaign" pp.1027-8 in its criticism of Unionist social reforms; "...with Mr Chamberlain these ideals are themselves means, not ends....The reason is that they going to cost money, and, in Mr Chamberlain's memorable phrase, 'money can only be found by an extension of the basis of taxation.' Socialist experiments are for the Unionist Party twice blessed, since they would conciliate the masses, and by their cost compel the country revise its tariffs."

social reform soon re-emerged after the Valentine Compact. The most outspoken attack on Unionist strategy was made in late 1906 by Milner in a series of speeches on the subject of constructive Imperialism. He warned against Unionists appearing indifferent to social reform.⁸² Milner's speeches caused a minor stir amongst Unionist MPs.⁸³ They coincided with Austen Chamberlain's 'New Year's Message' in the *Outlook* in which he criticised the leadership for ignoring "Imperialism and Social Reform". The winter of 1907 also witnessed the mobilisation of the Confederates, and the outcome of the Chamberlainite disaffection was Balfour's stronger fiscal proclamation announced in February (though he said little about social policy). This neglect of 'construction' was not challenged until the autumn of 1907 when 'socialism' was at the centre of public attention. The UFTers, as we have seen, together with some moderates, contended that a 'negative' Anti-Socialism should take the premier place in Unionist strategy and rhetoric. Certainly the capacity of Socialism to arouse feelings of pure resistance in Unionists seems to have taken the 'radicals' by surprise and they were forced to link their ideas on social reform explicitly to the need to subvert its appeal amongst the working classes. In September a group of 'radicals' met to draw up an "Unauthorised Programme" which would form a bargaining point against the Leadership.⁸⁴ Milner went on the stump again

⁸² Speech at Wolverhampton "A Political Ishmaelite" 17 Dec.1906, reprinted in Alfred Milner, *The Nation and the Empire*, (1913), pp.160-2. The speech appears to have been made at the instigation of Leo Amery, on whose behalf Milner spoke at Wolverhampton; see Amery, *My Political Life* Vol.1, pp.255-6. Amery and his associates looked on Milner as possible replacement for Balfour, see John Barnes and David Nicholson, eds., *The Leo Amery Diaries*, vol 1, (1980), diary entry for 18 Dec 1906, p.57, but Milner refused to follow this suggestion.

⁸³ For example an appreciative Robert Filmer to Balfour, 18 Dec.1906, BP Add.Ms.49859, ff.118-9.

⁸⁴ See Fabian Ware to Bonar Law, 29 Sept.1907, Bonar Law Papers 18/4/75 and Arthur Lee to Austen Chamberlain, 28 October 1907, ACP 17/3/64. The group included Austen, Lee, Law, Milner, Ware, Amery, J.W.Hills and Richard Jebb. For further details see Amery to Maxse, 8 October 1908, MP 458, denying any intention to produce an 'Unauthorised Programme.'

warning his middle class audiences of the pitfalls of Anti-Socialism:

Many people think that it is sufficient for the purpose -- that it is possible to conduct a victorious campaign with the single watchword, "Down with Socialism". Well I am not fond of mere negatives...My objection to anti-Socialism as a platform is that means so many things..(and) the danger, as it seems to me, of the Unionist Party going off on a crusade against Socialism is that in the heat of the crusade it may neglect or appear to neglect, those social evils, of which Socialism is striving, often, no doubt, by unwise means, to effect a cure.⁸⁵

When Balfour did eventually speak on the subject of social reform at Birmingham in November, his rhetorical affirmations disguised the fact that the leadership had no detailed reform schemes and it appears that the leadership was only too keen to drop the subject after the Conference. Most Unionists were in any case satisfied with the official tariff programme as the sole constructive policy of the Party; Tariff Reform united with Anti-Socialism was a sufficient domestic strategy, and it also appeared the best way to heal Party divisions. Such Unionists saw in programmatic commitments a means of fracturing the precarious unity that Balfour had achieved in 1907. Indeed there is little to suggest that the 'radicals' were anything more than a tiny minority of the Party, perhaps even smaller and more divided than the UFTers; what gave them significance was their association with the Chamberlainite tradition, and a strong position in the press; e.g in the *Outlook*, the *Morning Post*, the *National Review* and the *Observer*. There was also the ability to play on the constant unease of Unionists that the working classes would desert them in droves at the next election; but of a Unionist Party dedicated to Imperialism and Social Reform there is no sign.⁸⁶

⁸⁵ Speech at Guildford, 29 Oct.1907, *Nation and Empire*, pp.213-4. Milner did not appear to be optimistic of his prospects, as he told Amery: "I am meditating a bold move, which is to cut myself quite adrift from 'anti-Socialism.' It means going into the wilderness, but I have come to the conclusion that Unionism on its present lines is hopeless." 25 Sept.1907, quoted in A.Gollin, *Proconsul in Politics*, (1966), p.153.

⁸⁶ For complaints at Unionist indifference to social reform see Hewins, *The Apologia of an Imperialist*, vol.1, p.280 and the remarks of Jack Hills (Unionist MP, Durham City) to Beatrice Webb, B.Webb, *Our Partnership*

This was not surprising given that many politicians associated with constructive Imperialism were privately sceptical about the value of social reform as a Party platform. Both Austen Chamberlain and Bonar Law, the two most influential politicians associated with the 'radical' Tariff Reformers, were critical of specific reform proposals.⁸⁷ The "Unauthorised Programme" published in 1908 was a paler vision of the original, after being subjected to the corrosive criticism of Law. By the time of the anti-Budget campaign, which was the Chamberlainites greatest political opportunity since 1903, the rhetoric of most 'radicals' had moved closer to the mainstream, in the belief that Balfour was at last fighting their cause. The 'negative' Anti-Socialism of that campaign was however predominant, and as some of militants recognised, social reform was relegated to a low priority in the 1910 elections. Fabian Ware, 'radical' editor of the *Morning Post*, could thus lament:

The selfishness of class interests reared its head amongst Unionists; it sought support wherever it could be found and in whatever party...They forgot that real unity can be erected on no artificial bases, that it can rest on no negative political programme; they lost in the heat of the moment and under the irritation of outraged class feeling that clear vision that had hitherto enabled them to perceive the true foundation of unity is the idea of a union of classes.⁸⁸

(1948), p.465.

⁸⁷ Chamberlain was worried about the willingness of some 'radicals' to cooperate with the Labour Party, e.g. those who supported Ramsay MacDonald's unemployment amendment to the Address in February 1908, see A.Chamberlain to Maxse, 2 Feb. 1908, MP 458, "My idea is that we ought to avoid rather than seek cooperation with the...Labour Part(y). "We do not mean the same thing"....Let us make our positions as distinct as possible, especially on these abstract resolutions...We do not want our policy of social reform confused with *their* socialism."

⁸⁸ F.Ware, "Unionist Opportunism and Imperial Democracy" *NC* 66, Nov.1909, pp.739-740. For the "Unauthorised Programme" see the draft copy in the Bonar Law Papers Sept.1909, BLP 18/4/75, and Law's unsympathetic reaction objecting to plans for Empire Economic Union, anti-sweating legislation and taxation of land values; Law to Ware, 18 Sept.1908 BLP 18/8/10, (Copy).

(V) Anti-Socialism and the Unionist Recovery 1907-1909.

The following section examines how anti-Socialism was perceived by the Unionist Party mainstream and how they sought to organise a political counter-attack against 'Socialism' and the Labour Party. This campaign followed from the widespread discussion of Socialism in the aftermath of the Left's successes in the Jarrow and Colne Valley by-elections in July 1907. At Jarrow Labour won in a four sided contest with a 'socialist' candidate, Pete Curran, but the most sensational result came a fortnight later when an Independent Socialist, Victor Grayson, won Colne Valley on an avowedly Socialist platform.⁸⁹ As both seats were won from the Liberals it appeared that the appeal of the Progressive Alliance had disappeared, without any corresponding reaction towards Unionism.⁹⁰ The by-elections thus offered an interesting counterpoint to the LCC election in March, demonstrating the potential of the Anti-Socialist appeal from a defensive perspective.

Both Jarrow and Colne were in retrospect freak results (both seats were won back by the Liberals in the 1910 elections) but at the time they were easily manipulated to show that a newly aggressive Socialism was sweeping the country. The various Unionist factions drew conclusions to suit their prescriptions, but there was widespread agreement that the Unionists had failed to come to terms with Socialism as an issue of practical politics. At the level of constituency propoganda and organisation the Unionists were still stuck in the era of two-party politics.⁹¹ There had been little attempt to

⁸⁹ For the by-elections, see H.Pelling, "Two By-Elections: Jarrow and Colne Valley 1907" in *Popular Politics and Society in Victorian Britain* (1968) pp.130-146, see also David Clarke, *Colne Valley: From Radicalism to Socialism*. (1981).

⁹⁰ See Morley's remarks to Campbell-Bannerman, that the results would "frighten people about socialism and though we are not socialists many of our friends live next door, and the frightened people will edge off in the opposite direction." 19 July 1907, cited in Brown, "Introduction," *Essays in Anti-Labour History*, p.8.

⁹¹ Thus in 1906 the National Union issued just one pamphlet which dealt specifically with Socialism, "What Socialism Really Means" (NU.620).

deal with Socialism as a separate issue and considerable ignorance of how to project it to the electorate. This required a change in attitudes: "How to combat Socialism is the practical question before all moderate men."⁹² Thus Anti-Socialism was emerging as an issue in itself in the autumn of 1907 rather than as an epiphenomenon of the fiscal dispute. It was clear that the urgent need was for practical propaganda against the Labour Party rather than constructive social programmes. The *Daily Express* voiced a common complaint:

In both Jarrow and Colne Valley the Socialists had a clear and uninterrupted run. Their arguments were not met; their figures were not replied to; their leaflets were most imperfectly answered....It is a ludicrous fact that Socialism was only officially born at the last general election. Its birth, it seems, has not even yet been registered at Party headquarters. The new force is not recognised in the sense that it is something to be met.⁹³

This was of course largely due to the fact that the annihilation of 1906 ruled out any strong attack on the Labour Party by the leadership, for fear that they meant to antagonise 'labour' as well. By late 1907 with the Liberals now the victims, a counter-attack seemed feasible.

This was confirmed by the Kirkdale (Liverpool) by-election in September, when the Unionists defeated Labour in a straight fight, after waging a particularly aggressive Anti-Socialist campaign.⁹⁴ Religious issues came into play in this traditionally 'Orange' constituency, with the Unionists successfully targeting the ideas of Blatchford, who had campaigned in the constituency, to 'prove' the atheistical intentions of the Labour Party. However the paucity of suitable propaganda had been noted by Archibald

Several more were issued in 1907 covering a range of topics, including "Socialism is Atheism" (NU.679), "Socialism: The Ship of Industry" (NU.680) -- this was a pro-entrepreneur tract, and "Socialism and the Family: the End of Home Life" (NU.682). The 1909 *Campaign Guide* was the first to carry a section on Socialism, pp.334-48.

⁹² Garvin "Free Trade as a Socialist Policy," p.51.

⁹³ *Daily Express*, 20 July 1907, p.1.

⁹⁴ For Kirkdale, see Philip Waller, *Democracy and Sectarianism* (Liverpool 1981), pp.233-5.

Salvidge, the head of the Liverpool Unionist workingmen's organisation; as his biographer related: "when the conflict began, the Conservative Central Office...did not possess a single anti-socialist leaflet or cartoon for use in a fight of this kind. 'It is not sufficient to call the Socialists names', Salvidge wired, 'Send us arguments.'"⁹⁵

This marked a strong contrast with the skilful proselytising of the LMS in the LCC elections, and it was the Society which naturally took the initiative in organising the opposition to Socialism.⁹⁶ Since its election triumph the LMS had been increasing the scope of its operations by issuing propaganda and training speakers. In the wake of Colne Valley, Herbert Jessel, the LMS's Chairman, organised a conference to initiate a nationwide Anti-Socialist campaign.⁹⁷ The resulting Conference held at Caxton Hall in October proved to be the turning point in the organisation of Edwardian Anti-Socialism.⁹⁸ Amongst the groups attending were the BCA, the MCDO, the IFL, the Primrose League, the Liberal Unionist Council and a cohort of ratepayers' associations. Jessel told them that 'Socialism' had become the central political problem:

In the course of the recent municipal contests we were brought face to face with the arguments and methods of the Socialist Party. At the next election it will be an absolutely straight fight between those who are opposed to Socialism and those who are not.⁹⁹

⁹⁵ S.Salvidge, *Salvidge of Liverpool* (1934), p.76. On the vital need for Anti-Socialist propaganda tailored for the working class audience see Anon., *The Socialist Movement in Great Britain*, (1909), p.5.

⁹⁶ In 1909 an anonymous author claimed that "The (LMS) appears to be the most completely armed of all the anti-Socialist organisations..." *Socialist Movement in Great Britain*, p.56.

⁹⁷ See Minutes of the Executive Committee 31 July 1907. A special LMS sub-committee was also established to deal with Socialism in the capital, Mins.Exec.Committee 19 Sept.1907. In 1908 the Society issued the most complete practical handbook on the question to date, *The Case against Socialism* (the authors were P.Elgee and G.Raine, with a preface by Balfour).

⁹⁸ For a report of the proceedings see; *A Conference on the Progress of Socialism* (LMS 1907).

⁹⁹ *Ibid* p.3.

This optimistic prognosis was attacked by speakers from 'Individualist' groups like the MCDO, who ruled out any linkage between the attack on Socialism and support for Tariff Reform.¹⁰⁰ This type of dispute raised wider questions on the viability of the new 'Anti-Socialist' allegiance; on one hand it appeared to make cooperation between moderate Liberalism and Unionism more likely, whilst it was also tacitly accepted that the Unionists had most to gain from the issue. A division between 'Individualist' and 'Social Imperialist' Anti-Socialists was the greatest hurdle faced by more moderate and opportunistic Unionists who wished to exploit the issue.

Official attempts to monopolise the Anti-Socialist propaganda continued when the Executive of the National Union, the main Unionist grass-roots organisation, entered the fray in July 1907. A committee was established to organise an Anti-Socialist campaign; the complexion of which suggested it was to be linked to Tariff Reform.¹⁰¹ The main aim was to disseminate propaganda and organise speakers in the provinces, particularly in the industrial areas; as Jack Sandars explained: "they are determined to counter the Socialists in their street corner meetings."¹⁰² Similar campaigns were begun by the Primrose League and Liberal Unionist Council.¹⁰³ This enthusiasm was indicative perhaps of the low political risk attached to attacking Socialism and consequently led to overlapping organisations, reducing the coherence of the attack on the Left.

¹⁰⁰ See the remarks of L.P.Sidney, secretary of the MCDO; "the movement will be an absolutely non-party movement, shall be kept free from party issues, and shall be kept free from...Tariff Reform, which always identifies itself with Conservatism. *Ibid.* p.14.

¹⁰¹ Minutes of the National Union Executive Committee 10 July 1907 "Sub-Committee for the Socialistic campaign." Conservative Party Archives NUA 3/1. The members of the Committee were strong Tariff Reformers; E.Goulding, Lord Ridley and Sir Harry Samuel.

¹⁰² Sandars to W.Short 6 Oct.1907, BP Add.Ms.49765 ff.62-65 (Copy). The National Union had dispatched 20-30 campaign vans in the autumn, see the *Report of the National Conference 1907*, NUA/2/1/26.

¹⁰³ See the *Times*, 18 Oct 1907, p.8 and 29 Oct.1907, p.6.

The main problem facing Unionists on the 'Socialist' question was that of building a dynamic and popular counter-movement, which was also able to by-pass the continuing divisions on fiscal policy; to make the rhetoric of the grand anti-Socialist alliance of Tariff Reformers, UFTers and right-wing Liberals into more than wishful thinking. The Unionists required a positive source of discontent against some aspect of 'Socialism' rather than rely on the short-lived fears aroused by Colne Valley, and this meant attacking the Party in power, rather than the Labour party. The unifying basis of 'economy' had achieved this to some extent at the municipal level, but a national Anti-Socialist campaign was a much more complicated affair, and one which could not be divorced from the arcane high politics of the Unionist leadership. For Balfour it was essential that Anti-Socialism did not become a divisive issue by reopening the wounds of the fiscal dispute as desired by extremists on both sides of the Party. As 'Socialism' was expected to be an important issue in the Birmingham Party Conference in November 1907, Balfour had to be extremely careful in his choice of words on this subject. Anti-Socialism thus became a codeword for attitudes on the wider questions of Party unity and fiscal policy. The Chamberlainites as we have already seen were extremely suspicious of the uses made of Anti-Socialism, seeing in it the rhetorical and doctrinal means by which a covert compromise would be made with the UFTers, and even the Liberal Right.¹⁰⁴

Balfour thus came under strong pressure from Austen Chamberlain and Lord Ridley (President of the Tariff Reform League) to commit the Party to an indivisible tariff and social reform strategy to counter 'Socialism,' (and the 'Anti-Socialist' agitation, at the same time). Thus Ridley warned:

¹⁰⁴ Thus Bonar Law to Henry Page Croft, 30 Oct 1907: "I was rather afraid that all this talk about Socialism might have had the effect of making the weak-kneed among our leaders use it as an excuse for shelving the fiscal question." Page Croft Papers, BO 1/5.

Some of our friends want to combine all parts and sections of feeling in an anti-socialist and purely negative campaign, which leads towards class war. Undoubtedly feeling in my district [Northumberland] is against this line: and there is a very general desire and hope that our leaders will make it as clear as possible that the party means to adhere to its policy of social reform, and thus keep with them the moderate workingman, who will then be ready to fight with us against Socialism.¹⁰⁵

However Unionist moderates were also pressurising Balfour to use the issue to unite the Party and counter-attack the Government, copying the tactics of the Municipal Reform Party in the LCC elections. The Duke of Rutland informed Balfour that: "What I find universally hoped is that you will go tooth and toenail for the Socialist party, tacking the Radical Party onto them."¹⁰⁶ Whilst J.S.R. Phillips, editor of the *Yorkshire Post*, argued that Unionists' should make a special bid for 'middle' opinion on the lines proposed by the UFTers.¹⁰⁷ This approach dovetailed with that of the UFTers, but Balfour had no intention of forging Unionist reconciliation in such a way; his Birmingham speech was intended to clarify fiscal policy not to abort it. At the same time he wished to avoid making any commitments to the Chamberlainites through a 'constructive' policy, as he was also trying to effect a compromise with the beleaguered Free Trade MPs.

Balfour's address to the National Union conference on 15 November 1907 committed the Party to a wide-ranging tariff programme; preference, protection, and tariffs for revenue and negotiation purposes. He also gave an eloquent exposition of the principles of Unionist social reform, without substantiating them as concrete policies. In so doing he finally disposed of the Individualist Anti-Socialism of the UFTers; "socialism" was defined

¹⁰⁵ Ridley to Balfour, 1 Nov.1907, BP Add.Ms.49859, ff.190-3, and Balfour's sympathetic reply; *Ibid.*, f.194 (Copy). For Austen Chamberlain's message, BP Add.Ms.49736, ff.21-32, 24 Oct 1907.

¹⁰⁶ Rutland to Balfour, 18 Oct.1907, BP Add.Ms.49859 ff.173-6. Rutland was the President of the National Union; for a particularly rabid attack on Socialism see his remarks in *Report of the 1907 Conference NUA* 2/1/27. See also Ailwyn Fellowes to Balfour, 24 Oct. 1907, Add.Ms.49859, ff.183-5.

¹⁰⁷ Phillips to Balfour, 9 Nov.1907, Sandars Papers, Eng.Hist c.759, ff.95-106.

strictly as public ownership not "socialistic" legislation:

Socialism means, and can only mean...that the community or the State is to take all the means of production into its own hands..that is Socialism and nothing else is Socialism. Social Reform is when the State, based upon private enterprise, asks men to contribute towards great national, social and public objects; that is Social Reform. There is..no ambiguity between the two.¹⁰⁸

Balfour elaborated this definition by maintaining that Unionist reforms were responses to problems of national production, in contrast to the purely redistributionist policies of the New Liberalism. Unionist social policy would be directly linked to industrial efficiency through measures like national insurance. This version of social policy was 'Bismarckian' rather than 'Social Imperialist,' as it did not promise any new role for the State in the economy.¹⁰⁹ Balfour had thus managed to combine the vocabulary of social reform with that of "private enterprise" and "individual energy" without any apparent inconsistency. His social policy consisted largely in the belief that tariffs would bring sufficient prosperity to remove the need for substantial state intervention. This approach remained the basis of Unionist thinking until after the 1910 elections. Balfour's strategy appeared to have satisfied most moderates and militants alike, whilst it was obvious that the UFTers were the main victims; "social reform" operating in their vocabulary as a codeword for ostracism. "Anti-Socialism" had been identified with the promulgation of Tariff Reform though not in its "constructive" sense, but there was little evidence from Balfour's speeches that he wanted the Party to launch an Anti-Socialist crusade, even if it seemed the most promising

¹⁰⁸ *Times* 15 Nov.1907, pp.7-8. Note however the similarity of Balfour's distinction of Socialism/Social Reform with a speech he made in 1895; "Social legislation...is not merely to be distinguished from Socialist legislation, but is its most direct opposite and its most effective antidote." cited by Scally, *Lloyd George Coalition*, p.98.

¹⁰⁹ Balfour's thinking on these matters owed much to discussions with Hewins who stressed the damage done to 'public credit' by New Liberal finance, countering it with the increased productivity ethic of Tariff Reform. See "Memorandum of Mr.Balfour's conversations with Mr Hewins, Nov.1,3,4 1907", BP Add.Ms.49779 ff.117-28.

manner with which to demonstrate the Party's new sense of purpose. In fact there did not appear to be an appropriate issue at which to direct it in the winter of 1908.¹¹⁰

The fiscal issue was thus an ineradicable barrier to any grand realignment based on Anti-Socialism -- it did not possess sufficient ideological consistency or political potential to require a substantial modification of the commitment to Tariff Reform; at the same time, the UFTers and Liberal Right were not sufficiently panicked by 'Socialism' of either the Government or the Labour Party to accept the Balfourian synthesis of Tariff Reform and Anti-Socialism. The relevance of Anti-Socialism was thus the more modest task of organising and agitating against the Labour Party and trade unions at the grass-roots level; a policy which was likely to bear fruit only in the long term. It was to the question of propaganda rather than high political strategy that Unionists turned after the Birmingham Conference.

Both the Caxton Hall and the National Union conferences had agreed on the need for a distinct coordinating body.¹¹¹ In October 1908, such a body, the Anti-Socialist Union, was at last formed. It was semi-autonomous of the Unionist Party, but received a subsidy from Conservative Central Office and was run by Unionist politicians. The Union owed its birth however to the initiative of private individuals, who met to discuss the problem in early 1908; they included R.D.Blumenfeld, editor of the *Daily Express*, which had been particularly outspoken on the Socialist danger, Harry Cust editor of the *Pall Mall Gazette*, W.H.Mallock and three Unionist

¹¹⁰ See for example Robert Cecil to Sir Philip Magnus, 7 Dec.1907, WLP 947/444 f.4.

¹¹¹ See the report of Central Committee of the National Union 1907, NUA 2/1/27, p.7: "The principal subject for discussion has been the growth of Socialism and how to meet it." A motion by Claude Lowther to establish a separate Anti-Socialist bureau was passed unanimously by the Conference, *ibid*, pp.23-4.

politicians, Herbert Jessel, Wilfrid Ashley and Claude Lowther.¹¹² They agreed that the function of the Union would be supply propaganda and train speakers for interested parties, as well as producing extensive propaganda, meeting the main weaknesses which had been noted after Colne Valley and Kirkdale. The launch of the Union was however delayed for some months due to financial problems, but also ominously indicative of the issue's rather limited political purchase once the melodrama of Labour by-elections had subsided. Financial weakness would continue to dog the Union until the outbreak of War -- the common malady of nearly all the right-wing pressure groups of the period.¹¹³ There were further problems with the overlapping activities of the LMS which not surprisingly felt threatened by the new body; but it was eventually agreed that the Society would have full control of Anti-Socialist propoganda in London whilst the ASU operated in the provinces.¹¹⁴

At its formal launch in October 1908 the Union stated that its main aim would be to coordinate existing Anti-Socialist groups by providing speakers and literature on a national scale.¹¹⁵ It was stated that the Union was solely concerned with resisting Socialism, implicitly denying that it was a surrogate Tariff Reform group: "It does not ask its supporters to subscribe

¹¹² See Blumenfeld, *R.D.B's Diary* (1930), pp.224-5 and his *Twenty Five Years Ago*, (ASU.1933). Also Lowther to Ashley, 17 Jan. 1908, Mount Temple Papers BR 70/8.

¹¹³ Central Office refused a subsidy until private donors had come up with half the money; see W.H.Mallock to A.Acland Hood Sep.1908, JSP Ms.Eng.Hist.c.757, ff.15-16. Coetzee, *For Party or Country*, p.102, argues this was an annual subsidy, but I have discovered no corroborating evidence to show this. The amount of the subsidy was £5000.

¹¹⁴ There were still occasional disputes over this arrangement. For the original agreement see LMS Mins. of Exec.Comm. Oct.21 1908. For disputes, see Ashley to Sandars, 16 July 1909, JSP Eng.Hist c.759 ff.23-4, Sandars to Ashley, 17 July 1909, MTP BR.77/31. The source of the dispute was ASU activity in London, where they had established a London Division see *The Anti-Socialist*, June 1909, p.61. In 1910 the LMS decided to extend its work nationwide, see Mins.Exec.Comm., 22 June 1910.

¹¹⁵ *Times*, 13 Oct 1908, p.11.

to any fixed policy, or to any declaration of principle except that of opposition to Socialism"¹¹⁶ The importance of Press campaigns and coordination with local groups were particularly emphasised. The Union's implicit ambition to achieve hegemony over rival bodies proved disappointing; it absorbed the Industrial Freedom League in 1909, but this was its only real success, as Individualist Anti-Socialists in the BCA and the LPDL remained hostile.¹¹⁷

The personnel of the new organisation reflected an attempt by Unionist moderates to regain the initiative in producing propaganda from both the Radical Right and the UFTers. Some prominent 'radicals' were members of the Union; Garvin, Wyndham and Sir Gilbert Parker, but the 'moderates' were probably the preponderating element in the leadership. The Duke of Devonshire became the Union's President in 1909, with Walter Long as Vice-President, whilst the Executive Committee, which comprised Blumenfeld, Lowther, Ashley, Sir Harry Brittain, Sir William Bull and Lord Claud Hamilton, was not associated with the Chamberlainites, and it is possible that the Union was perceived as an organisational counter-weight to the TRL by moderates. The ASU's propaganda, whilst promoting official Unionist fiscal policy did not usually put it to the centre of its message. Some Union activists even criticised the attention it received from the main Party at the expense of the attack on Socialism, despite the fact that it had failed to restore Unionist fortunes. Thus Lawler Wilson, the Union's literary secretary claimed:

Previous to the Anti-Socialist campaign, Tariff Reform propaganda in the

¹¹⁶ The Anti-Socialist Union, *Statement of Objects, Policy and Work* (1908), p.3.

¹¹⁷ In 1911 there was talk of an amalgamation of all Anti-Socialist bodies, but the ASU rejected the cooperation of the LPDL as damaging to their image, see Frederic Millar's attack on the ASU's social reform policies, *Times*, 31 March 1911, p.14, and Lowther's reply attacking the League "as a dangerous reactionary group, which engenders more Socialism in one week than it prevents in a whole year by its wholesale opposition to all proposals which make for the people's welfare." *Ibid*, 3 April 1911, p.6.

country was unsuccessful, and that it was not until the electorate had been roused to...the menace of Socialism that there was any general disposition to listen to the [Tariff Reform] League speakers who urged (it) as an alternative specific. In the by-elections we have seen Tariff Reform being swept home on a wave of Anti-Socialism.¹¹⁸

The implication of such remarks is that the Union was attempting, at least indirectly, to extend a hand to the UFTers and Liberal Right; Cromer and Avebury were members of the Union as was the dissident Liberal MP, Harold Cox. But in terms of high politics such associations meant little. The result was that the tone of the Union's propaganda was uniformly negative. The criticism of Collectivism was especially all-pervading, taking in New Liberals, Christian Socialists and Tory Democrats, copying the 'wedge' arguments of an earlier Individualism.¹¹⁹ It is not altogether clear what audience the Union was appealing to; it made much of its trust in the respectable workingman, making constant attacks on Socialist influence in the Trades Union movement.¹²⁰ However the tone of its main publication, *The Anti-Socialist*, suggests that it was geared to the lower middle classes, a social group whose Anti-Socialist proclivities had already been noted in the LCC election. This policy could however backfire by concentrating on sensationalist topics like Socialism's alleged symbiotic connection with 'Free Love' and Atheism. Walter Long warned Blumenfeld that such tactics merely invited ridicule amongst the lower middle classes:

I find that when you talk to them about Atheism and Free Love, they really will hardly listen to you in patience. They do not believe in anything of the kind: they regard it as ridiculous, and they say with what appears to be great force, "If you are obliged to fight Socialism on these two side issues

¹¹⁸ W.Lawler Wilson, *The Menace of Socialism*, p.20. The TRL was still competing with the Union in Anti-Socialist propaganda at this stage, though with little effect, see *The Labour Leader*, 1 Jan.1909, p.3 for the alleged ineptitude of the TRL. Also E.E.Williams, *The Answer to Socialism*, (ASU 1911), for another Anti-Socialist attack on Tariff Reform (Williams was ironically the author of the widely read protectionist tract, *Made in Germany* [1896]).

¹¹⁹ E.E.Williams, "The Danger of the Dupes" *Anti-Socialist*, March 1909, p.13.

¹²⁰ The ASU was however concerned to proselytise amongst trade unionists; see *Statement of Objects, Policy and Work*, p.8; *Anti-Socialist*, no.1 Feb 1909, p.1.

and not upon its economic and political aspects then all we can say is that we believe that you cannot answer our argument on the latter two grounds, and, therefore try to draw a 'red herring' across the path by creating fears which we are perfectly satisfied are groundless.¹²¹

Such propaganda could however have an effect, as Kirkdale had demonstrated, and it is possible that contemporary Socialists felt more confident on economic than moral issues.¹²² The main failings of the Union were in the area of organisation; despite the initial understanding that the Union would work in all parts of the nation, the evidence suggests that it concentrated attention on the South-East, a region hardly essential to the recovery of the Tory Democracy. Although details of independent local activity by Anti-Socialists are scarce it does not appear that the ASU made serious interventions in Lancashire, Yorkshire, the Midlands and South Wales until mid.1910-11, (the Union did not campaign in Scotland). Even when it did Union officials complained of inadequate resources.¹²³ By late 1911 the shortage of resources had become acute; in March 1911, the Union had appealed for £100-000 to start a new campaign, with little evidence of success, and by the end of the year it was faced with the withdrawal of a leading private backer,¹²⁴ and a less sympathetic attitude from a newly-

¹²¹ Long to Blumenfeld, 1 Sept.1910, Blumenfeld Papers Long W/5. Lowther was irritated by Long's interference, Lowther to Blumenfeld, 7 Sept 1910, BMP.Lowt/1.

¹²² Thus in the wake of Kirkdale the Executive Committee of the ILP issued a statement formally denying that Socialism was against organised religion or the family; statement of 4-5 Oct 1907, cited in *The Case Against Socialism*, pp.389-90.

¹²³ Ashley to Sandars 4 May 1910, JSP Eng.Hist.c.760 ff.31-32, asking for more money for the Lancs. and Yorks. campaign.

¹²⁴ The backer was Waldorf Astor who appeared to be channelling money to the ASU through Sir William Bull, MP for Hammersmith and a member of the Union's Executive Committee. Astor had originally offered Bull £250-000 to lead an Anti-Socialist crusade, and paid him regular subsidies, some of which was used for Bull's private group, The Enemies of the Red Flag, but he also made substantial donations to the Union; see *Anti-Socialist*, Oct.1909 p.105 and *Liberty*, May 1910, p.19. In late 1911 Astor stopped his donations. See Bull Papers, Churchill College Archive Centre, Boxes 3/19, 3/20,4/2, 4/4 (Unsorted). Bull's importance is confirmed by Lowther's remarks to Blumenfeld, 17 Sept. 1910, BMP LOWT 1.

revamped Central Office.¹²⁵ In February 1912 the Union's journal, *Liberty*, folded and the years up to the War were marked by increasingly desperate appeals for funds.¹²⁶ The cause of Anti-Socialism thus appeared moribund on all sides by 1914. It is difficult to assess what impact groups like the ASU made on public perceptions of Socialism; only a small minority would in any case have heard of them and those who did may have begun to see the merits of Socialism as a result. There is some evidence that the Union's speakers had an effect, though it was as Ashley admitted a preventative role they performed, which was unsurprising given the absence of any 'positive' message in their propaganda.¹²⁷

The failure of the Anti-Socialist Union to mobilise public opinion on the question of Socialism is indicative of the underlying problems of the whole Anti-Socialist idea in Edwardian Britain. These problems were conceptual, and structural as well as strategic; in conceptual terms it was not altogether clear what Anti-Socialism could achieve outside of vilifying socialism, a pressure group without at least a minimum of positive aims and policies was unlikely in itself to be sufficient cause to motivate grass-roots activists. It is noticeable that the ASU unlike the Tariff Reform League did not possess the network of constituency cells which allowed the latter to exercise such influence within the Unionist Party. This led to the structural

¹²⁵ Steel-Maitland, the new Party Chairman, was keen to cut down expenditure on the "Legion of Leagues" and bring them under tighter central control, see A.Steel Maitland to Bonar Law, Dec.1911, BLP.4/1/2, proposing to end 'enormous' subsidy to the ASU and reestablish control over the semi-autonomous Unionist pressure groups.

¹²⁶ For example, Ashley to Blumenfeld, 13 Nov.1912, BMP.MOU/10.

¹²⁷ As Ashley informed Sandars; "though our activities cannot compare with those of the Socialists I do think we are preventing large numbers of people from *becoming* Socialists." 28 Aug.1910, JSP Eng.Hist.c.760 ff.284-5. Some Socialists recognised this, see the correspondent in the *Labour Leader*, 29 April 1910, p.7: "It is not an infrequent experience to a Socialist speaker to be addressing a very small meeting, while at an Anti-Socialist meeting a few yards away there is a large crowd." The writer was however from London.

problem of how an Anti-Socialist group could accommodate itself within the parent body of the Unionist Party. The most successful right-wing pressure groups of this period were either those which were 'loyal' to the Leadership but did not impinge on Leadership strategy, concentrating instead on a specialised area, geographical or ideological, like the LMS, or else the extra-party 'dissidents' like the TRL. The ASU was caught between the two; in terms of Unionist high politics its message was so necessary, and at the same time so uncontroversial, that it could generally be ignored for most of the time (and this fact had crucial financial implications) and was promoting an issue which had little appeal for the temperamental dissident. Thus its claim to offer an issue which could unite all Unionists was a disadvantage, as it meant that the various factions saw nothing in it to help them gain influence within the Party.

Furthermore the Union was never able to gain hegemony over the Anti-Socialist issue, with bodies like the TRL, LMS and the Primrose League continuing their Anti-Socialist work on independent lines. The result was not just bureaucratic overlapping and wastage, but a dissipation of the Anti-Socialist message, which had previously been concentrated on a single issue by a single body; the LMS's critique of 'waste' in 1906-7. This point illustrates the political difficulties of Edwardian Anti-Socialism; it was never presented with a clear-cut issue of "Socialism versus Anti-Socialism". Until it was made clear whether it was the New Liberalism of the Government that was being criticised or the Liberals' unprincipled surrender before the emergent Labour Party, groups like the Union would enjoy little success with electors bemused by the desire to take on all shades of Collectivist opinion.

(VI) The Campaign against the 1909 Budget .

The disappointing contribution of Anti-Socialism as a platform for Unionist politicians after 1907 resulted from its failure to connect with any issue of sufficient public dissatisfaction with the Government. It appeared that 'anti-Socialism' would only prove to be a dynamic message when it could be connected, as it had in local politics with the discontent of tax-payers. The possibility of a 'revolt' of the tax-payers against the policies of the Government had attracted intermittent attention from Unionists.¹²⁸ The UFTers had, as we have seen, laid particular emphasis on the level of taxation when attacking the Liberals, whilst all Unionists regarded the income tax-paying classes as a ready source of support. Unfortunately the political opportunities for exploiting taxpayer discontent were much more limited than in the case of the ratepayers; in the pre-war period it has been calculated that the income tax-payers constituted only one million voters out of an electorate of between seven to eight millions.¹²⁹

This position was further complicated by the fiscal strategies of the Liberal Government, which sought to redistribute the tax burden in favour of direct taxation, whilst ensuring the wealthier classes paid proportionately more than the ordinary income tax payer; thus they would retain a vital foothold in the middle classes. The Unionists on the other hand intended to keep the relative burdens of indirect and direct taxes stable, trying to convince the working classes that their fiscal system was preferable on indirect grounds of promoting economic growth, employment, and producing revenue for social reform without damaging competitiveness. However the Unionists found that any attempt to foment taxpayer discontent by merely promising to redistribute overall tax burdens, ran the risk of appearing as a

¹²⁸ For example, William Barry, "Liberals or Jacobins?" *NR* 46, July 1906, p.785 for the argument that the ordinary middle classes bore the brunt of national taxation.

¹²⁹ B.Murray, *Class, Politics and Public Finance in Edwardian Britain*, (Johannesburg, 1987), p.12.

class-biased policy, as food taxes implied that the burden rightly belonged with the working class consumer.¹³⁰ An attack on Liberal fiscal policy thus had to focus either on a limited incidence of 'wasteful' expenditure, where a purely negative stance was adequate, or else attack the whole basis of 'Free Trade Finance' in a high-risk attempt to show the benefit of Tariff Reform to all classes.

The 'People's Budget' of 1909 offered an opportunity to show the viability of the 'anti-tax' appeal, entwined as it inevitably was with the wider question of Anti-Socialism. The latter gained a new credibility as the Unionist Party appeared to be temporarily united in opposition to Lloyd George's 'Socialistic' finance. Both UFTers and Tariff Reform militants saw the proposals as deeply subversive of existing financial conventions, marking the beginning of a high tax-redistributionist regime. This agreement could not be translated into a more lasting Party unity. Divisions opened up for the same reasons as in the past; whether the Unionist Party should give priority to winning back middle or working class support, and whether an Opposition strategy entailed a 'constructive' programme or a rejection of all forms of legislative activism.

The 1909 Finance Bill was intended to restore the Government's credibility after a long period of political unpopularity in the country.¹³¹ The Government's difficulties were compounded by the fact that they faced a record peacetime deficit, which the Budget would have to meet through new taxation, (the Government was roughly £16 millions in deficit largely due to naval and welfare expenditure), so it was politically crucial that the Chancellor placed on the burden on the 'correct' groups, those whose

¹³⁰ Unionists promised that Tariff Reform would not raise the working class tax burden, only redistribute it onto a wider range of consumption goods.

¹³¹ For the political background to the Budget see Neal Blewett, *The Peers, the Parties and the People*, (1972), pp.60-67.

resistance would not be capable of generating a general tax-payers' revolt. It is not my intention to discuss the Liberal high politics surrounding the Budget, nor shall I discuss the provisions of the Budget in any great detail, except in as far as Unionists criticised specific measures as 'Socialist.'¹³²

Unionists condemned nearly all of the Budget proposals, often terming very different taxes as 'Socialistic.' Some measures attracted particular opprobrium from interest groups, whilst others posed a direct challenge to Tariff Reform fiscal plans. However some proposals attracted a disproportionate amount of criticism. The new land taxes were seen as a dangerous move towards a 'Georgian' taxation of land values, and thus a direct political assault on Unionism's most prestigious interest, the Land. Although the land taxes introduced by Lloyd George were comparatively anodyne in themselves,¹³³ they provoked intense opposition from Unionists and many moderate Liberals because of their espousal of 'Socialistic' doctrine of unearned increment. Unionists were already aware of the Government's readiness to increase the burdens of 'rentier' income, as demonstrated by Asquith's introduction of the principle of 'differentiation' between earned and unearned income in the 1907 Budget. The land taxes took the process further in their claim that the community had a rightful claim to capital gains made as a result of increasing land values, whilst measures like the tax on undeveloped land appeared to justify State interference in land use. Unionists countered with their traditional argument that the doctrine of unearned income could not logically be confined to land, but would have to be extended to other forms of rentier

¹³² The politics and provisions of the 1909 Budget are discussed in great detail in Bruce Murray, *The People's Budget 1909-10*, (Oxford 1980) and Bernard Mallet, *British Budgets, 1887-1913*, (1913), pp.298-313.

¹³³ The taxes were an Increment Value Duty of 20%, an Undeveloped Land Duty of 0.5% on unbuilt, non-agricultural land, payable annually; and a Reversion Duty of 10% on sum accruing to a lessor on the termination of a lease. There was also a Mineral Rights Duty of 10% on royalties.

income, like shares, which Liberals deliberately ignored only to protect their business supporters. But this argument was not pressed because Socialists were using similar arguments.

In the event the Right concentrated its attack on the Budget's 'hidden agenda' -- the fact that the land taxes would require a national valuation. The incorporation of the valuation in the Budget, although unavoidable, was seen as 'tacking' and Unionists argued it marked the preliminary move towards a full-blown taxation of land values. J.Seymour Lloyd, in the official Unionist handbook on the Budget, emphasised this point:

The machinery of taxation is all-important. Once the machinery has been set up, it can be worked practically to any extent, and the Valuation Clauses...if passed into law would form a code for future proceedings....By placing in the forefront the three new land taxes, the best vigour of the attack is drawn upon these proposals. Alterations made in the actual taxation Clauses would not affect the general principles underlying the whole.¹³⁴

The conflict over Valuation continued up to the outbreak, and by successful use of litigation, the landowners were able to hinder its progress.¹³⁵ The machinery of valuation was also attacked as further evidence of the Government's increasing tendency to expand a bureaucracy, which was using its powers in a discretionary manner. This was seen in such matters as the growing usage of administrative law in matters like the valuation; as a LMS publication argued in criticising the land taxes: "one of the most sinister elements in the policy of the present government is the attempt to place the business of valuation in the hands of the servants of the executive."¹³⁶

¹³⁴ J.Seymour Lloyd, *Campaign Guide Against the Budget*, (NUCCA 1909), pp.18-19.

¹³⁵ For Unionist resistance to Land Valuation in this period see M.Fforde, "The Conservative Party and Real Property in England 1900-1914" (Unpub.D.Phil. Oxford 1985), esp.182-185.

¹³⁶ *Facts Against Socialism*, 9, Dec.1909, p.129. See also Edwin Pratt, *The Fallacies of the Budget*, (1909) p.26, for an attack on Liberal 'officialism'.

This line of attack was given further substance because of the Chancellor's introduction of new methods of financial administration. In the 1909 Budget Lloyd George had announced that resources would in future be switched from the Sinking Fund to a new Development Grant, which was to promote economic regeneration by the direct investment of State funds in infrastructural projects.¹³⁷ This appeared to challenge not only the canons of orthodox finance (that surplus revenues would automatically enter the Sinking Fund for reduction of the National Debt to maintain economic confidence), but also the non-interventionist role of the state in general on questions of economic management. Unionists were particularly concerned at the Cabinet's apparent discretionary control over the Development Grant; in the event criticism proved to be effective and the proposal was substantially modified.

The 'Anti-Socialist' elements in Unionist criticisms were thus immediately identifiable; they condemned the 'class' nature of the new imposts and the aggrandisement of State powers that accompanied their collection together with the usual criticisms of 'Free Trade' finance that the taxes were undermining capital resources in Britain and encouraging the export of capital to more hospitable locations, thus prolonging the economic difficulties endured in recent years. Although this was an essential part of the Tariff Reformers' case, the attack on increased taxation of the wealthy was voiced in similar terms by right-wing Free Traders. In such circumstances it appeared that the alliance of the Propertied might be realised. Hobson traced the vehemence of the Unionists' anti-Budget campaign to their realisation of the enormous political potential of New Liberal finance, which could exploit rentier income without undermining Liberal support from groups who were psychologically sympathetic to a

¹³⁷ For New Liberal thinking on such State investment see Freedon, *New Liberalism*, p.143-5.

generalised anti-tax message:

The reason...why Conservatives have decided to stake the very constitution in the hazard of the present fight, is that they recognise in the New Liberalism...the beginning of an unceasing and an enlarging attack upon the system of private property and private industrial enterprise...When the essential distinction between earned and unearned income and property is once clearly accepted...as a first principle of public policy to be applied progressively as an instrument for financing social reform resistance may be too late.¹³⁸

At the same time it could be said that the New Liberals faced the threat of a successful Anti-Socialist attack on the Budget producing a general reaction against all types of Progressive finance.

The Unionist anti-Budget campaign can be roughly divided into two periods -- from the introduction of the Bill in late April to the political 'crisis' of early August, Unionist tactics were dominated by the need to develop public opposition in order to influence wavering Liberal MPs, who would then demand concessions from the government (particularly on the land taxes), and secondly to prepare opinion for the possibility of an election by stressing the revolutionary and 'Socialistic' nature of the Budget. This strategy was based on the belief that an essentially critical attack on specific aspects of the Budget was sufficient to neutralise its political force. It did not require the formulation of an alternative fiscal policy, and could thus appeal to disaffected Liberals. By early August however it was clear that this line of attack had failed; the moderate Liberal revolt had not materialised, and it appeared that the land taxes were far from unpopular with working class audiences. It thus became obvious to Balfour that the Lords could only reject the Budget if they had the backing of alternative fiscal strategy, thus the profile of undiluted Tariff Reform had to be raised. This was intended to restore the internal morale of the Party, and attempts to draw off right-wing Liberals and Unionist Free Traders were dropped.

¹³⁸ Hobson, *The Crisis of Liberalism*, p.x.

Both strategies however drew upon the rhetoric of Anti-Socialism, the former having much in common with the UFT interpretation of the Unionist Party's role in fighting Socialism, the latter which formed the basis of the election campaign fought on "Tariff Reform versus Socialism" had some features with the 'constructive' Anti-Socialism school. Yet it will be shown the anti-Budget strategy represented a compromise between the two, and this had important implications for the Party's development after the 1910 elections.

One of the greatest initial difficulties facing the Unionists after the Finance Bill was to devise a line of attack which could overcome the complexity of the Bill's proposals without trivialising the issue. Unionists recognised Lloyd George's skill in making proposals which would not inevitably unite the Opposition in condemnation; as the *Outlook* saw it:

There is method in the Chancellor's...madness. His Budget has been framed with the purpose of distributing criticism and dividing resistance. It presents so many various features that the opposition may find it difficult to concentrate for the destruction of any single proposal.¹³⁹

One major problem faced by the Unionist strategists was that the initiative in attacking the Budget seemed to come largely from extra-Parliamentary interest- and pressure-groups, each with its own particular grievance. As the Unionists could do very little to aid these groups by action in the Commons, they had to look at the option of rejecting the Budget in the Lords in order to benefit from the discontent. The result was considerable prevarication over the summer of 1909, despite the widespread opposition to many specific measures of the Budget. Balfour and his colleagues were further constrained by the difficulty of introducing Tariff Reform to the centre of the anti-Budget agitation at this early stage as they were still uncertain of the mood of public opinion.

The attractions of a purely 'negative' attack on the Budget lay in the

¹³⁹ *The Outlook*, 1 May 1909, p.581.

hope of uniting the Party on the line of least resistance -- opposition to the Government's 'Socialistic' proposals. This was not an unreasonable line for the Unionist leadership to take, given the apparent willingness of leading UFTers to drop their doctrinaire resistance to any modification of Free Trade. The reestablishment of relations with the Free Trade fringe thus might have appeared to middle class opinion in the country, fearful of the Budget, as the moment to change allegiance to Unionists. However even this modest proposal foundered in 1909 as the UFTers continued to be divided over the most important issue facing them; 'Free Trade' or 'Anti-Socialism'. These were issues which cut across the Budget agitation, and determined whether Tariff Reform was too high a price to pay in the attack on the Government. The Budget raised these different strategic appreciations into a new and unresolved antagonism. However many UFTers who were more sympathetic to reunion with the main Party deprecated the pursuit of Rejection by the militant Tariff Reformers as unnecessarily endangering the constitutional safeguards against Socialism, and ensuring that the agenda for constitutional reform would be dictated by the Radicals. This 'pro-Unionist' faction of the Free Traders had failed to make ground before the Budget campaign.¹⁴⁰ However the Budget appeared to shift the initiative firmly towards those like Cromer and Strachey who were prepared to compromise, provided the Unionist leadership kept its fiscal commitments in the background. Thus Cromer contended that the Budget marked a watershed; as he told Robert Cecil:

I am all for adopting a conciliatory, at all events, not too aggressive an attitude towards the Tariff Reformers, for the more I see of the political situation the more inclined I am to think that Free Trade versus Protection is falling into the background, and that the real fight before long will be

¹⁴⁰ For a qualified endorsement of the Unionist leadership see *The Spectator*, Jan. 2 1909, p.15, accepting that tariff reform was presently the "lesser evil." For a rejection of this view Lord James to Cromer, Jan. 13 1909, CP FO.633/18, ff.133-5.

Socialism versus Anti-Socialism.¹⁴¹

Cromer made his Anti-Socialist interpretation of the Budget more explicitly at the annual meeting of the UFT Club in late June when he informed his audience: "I may say that if I thought that the policy of Tariff Reform really afforded an effective means for resisting the advance of Socialism, I should be prepared to throw a certain amount of cargo overboard."¹⁴²

This was also the line of Strachey and the Cecils, but many UFTers were at best cautious about a rapprochement with the Tariff Reformers in the Anti-Budget campaign, not least because the success of that campaign would increasingly become entangled with Tariff Reform. Furthermore with the fate of the remaining UFT MPs apparently sealed, they had little incentive to become involved. Cromer thus faced dissent within the UFT Club; Arthur Elliott predictably denounced any dilution of Free Trade and questioned the real value of the Anti-Socialist strategy: "The difference between the two parties is not between supporting and attacking Socialism and I doubt it will become so quite yet."¹⁴³ The Anti-Socialist/Anti-Budget line of Strachey and Cromer was also based on faulty strategic thinking; it was wrongly predicated on the belief that the compromise offered on revenue tariffs would be sufficient to extinguish all differences with the moderate Unionists. The UFTers had accepted small revenue tariffs, believing they could be justified when there were emergency shortfalls in revenue, as had been the case with Beach's duties during the Boer War, but not as a permanent imposition; yet they supported policies such as increased defence expenditure which made this inevitable. This sort of compromise

¹⁴¹ Cromer to Cecil, 28 May 1909, RCP Add.Ms.51072, ff.41-2.

¹⁴² Cromer, Presidential address to AGM of the Unionist Free Trade Club, 29 June 1909, CP FO.633/26, p.72.

¹⁴³ Elliott to Cromer, 17 September 1909, CP FO.633/18 ff.220-5. For a diametrically opposite view, see A.V.Dicey to Strachey, 16 Sept. 1909, SP S/5/5/17 -- Dicey predictably was one of the Budget's strongest critics, and advised the Unionist leadership on the constitutional propriety of Rejection.

opened up the likelihood of revenue duties being radically extended by a Tariff Reform Unionist Government, and such duties would inevitably be protectionist in their effects.

The refusal of the majority of Free Traders to participate in the offensive campaign of the Opposition drew criticism from moderates who saw such diffidence as politically unreal; the Duke of Northumberland told Strachey:

Socialism is rapidly extending, and the only effect of a continued wrangle over tariff reform will be to make us utterly powerless to withstand it...I can only say we should sink our differences and combine upon the much more important issue. In this I understand you agree, but you want the truce effected by the question being shirked altogether for the time being. I cannot help saying that this is impossible, and the only feasible case is for us to stay with the bigger battalions.¹⁴⁴

However as the threat of Rejection grew increasingly likely the tensions within the UFT camp grew ever more intractable. Even Cromer voted against Rejection in the Lords, whilst only Strachey and Hugh Cecil were particularly vocal in their support of the Unionist leadership.¹⁴⁵ They justified this belief by maintaining that the Unionists were unlikely to get a big enough majority with which to implement a full tariff policy.¹⁴⁶ This line found little favour with the UFT majority, who did not believe that the risk of an emasculated Upper House was worth the risk of a Tariff Reform victory, and given the failure of the Anti-Budget agitation by late summer there was something to be said for this argument. Darwin, who was not

¹⁴⁴ Northumberland to Strachey, 22 September 1909, SP S/11/5/8. For the limited nature of Strachey's 'acceptance' of Tariff Reform, see the *Spectator*, 4 September 1909, p.332: "To mix up the Fiscal Question with a great constitutional Anti-Socialist appeal would be a fatal error."

¹⁴⁵ Strachey to Sir Hugh Bell, 7 September 1909, S/16/3/13 (Copy), on the priority of fighting Socialism before Protection or Home Rule.

¹⁴⁶ Strachey to Hugh Cecil, Oct 30 1909, SP S/4/3/16 (Copy); Hugh Cecil to Strachey November 12 1909, S/4/3/17; Cecil to Cromer, 21 November 1909, CP FO.633/18, ff.285-6; "A small Tariff Reform majority would probably be a very innocuous thing...in the actual circumstances of the case, to vote for Tariff reform is not probably to carry Tariff Reform."

'pro-Liberal,' warned Cromer of the danger of using exceptional tactics like Rejection:

(W)e should not meet the situation by any action so exceptional that it cannot often be repeated. If this Budget is -- as it probably is -- a step deliberately taken in the direction of socialism...we should realise that the danger can only be averted by persistent opposition lasting for a long period...But if existing legislation is drifting too much towards socialism, as I believe, we can no longer accept every step taken as final; for that in the end would lead to downright socialism. We must resist the flood either by the action of the Lords, a course which is only possible occasionally or by reactionary legislation, which in the future will have to be deliberately and frequently adopted....A good deal of disappointment would be caused in certain quarters if the Bill were passed [*sic*], but the rejoicing over its rejection would be short lived if my forecast is right.¹⁴⁷

Darwin was prescient in recognising that the best hope for the UFTers now lay not in the direction of drawing the Leadership away from the militants, or in simply acquiescing to tariff reform, but in waiting for its political demise, in the meantime conducting a modest guerrilla action against 'socialistic' legislation. This was a revision of 'negative' Anti-Socialism, but one that was more pessimistic in its appreciation that a reaction in this direction would not be possible for some time to come, and would not be on the terms laid down by the UFTers. In effect it was this strategy which predominated after food taxes were dropped in 1913, although the 'socialist' issue had by this time receded in importance. Darwin's analysis appeared to be compatible with the long term objectives of the Balfourian leadership.¹⁴⁸ However in terms of the immediate problem of the Budget it was clear that UFT acquiescence in Balfour's strategy had brought no tangible rewards, a fact that was to lead to severe internal strife within the UFT movement as it approached its demise after the January

¹⁴⁷ Leonard Darwin to Cromer, October 10 1909, CP FO.633/18, ff.269-70.

¹⁴⁸ See the remarks of Sandars to Balfour, 8 August 1909, BP Add.Ms.49765, ff.228-9; "...the two wings of the Party are bound to come together as soon as Joe leaves us. When the public issue is Socialism -- as it will be -- the division of our forces will be without meaning." Sandars apparently believed that a strong anti-Budget campaign would be sufficient to win over the 'Conservative' UFTers, see his letter to Garvin, 26 August 1909, cited in Gollin, *The Observer and J.L.Garvin, 1908-1914*, (1960), p.118.

election.

The isolation of the UFTers was confirmed by the unhappy experience of the Budget Protest League, run by the leading 'moderate' Walter Long, who tried to fight the Budget on grounds which were congenial to the Liberal Right and the UFTers. Surprisingly, both groups took little active part in the BPL's activities, partly due to its ineffectual organisation but mainly because of the League's unwillingness to reveal its 'true' objectives (i.e whether it was really a pro-tariff organisation.) The League appears to have been a hastily organised response of Unionist politicians (whether they were under the control of Central Office remains unclear) to the mushrooming anti-Budget activities of various pressure groups and trade associations.¹⁴⁹ The BPL was intended to coordinate and control their activities so that they were compatible with Unionist policy.¹⁵⁰ Unfortunately, it was not clear until mid-August what this policy exactly was, and Balfour's strong (private) endorsement of Tariff Reform caused the League to suffer a severe loss of credibility. The BPL's original strategy of drawing off floating voters and right-wing Liberals by attacking the Budget's 'Socialism' and consequently avoiding the whole question of Tariff Reform, was abandoned. The League had invested its credibility on building up a broad zone of cooperation between the multifarious anti-Budget groups. Yet it conspicuously failed to monopolise the Unionist anti-Budget propaganda effort (the LMS, the ASU and the TRL continued to run Anti-Budget campaigns independently of the BPL), and without this achievement its conception of how to attack the Budget lost any purchase it might have had with the Leadership.

¹⁴⁹ These groups are listed by Murray, *People's Budget*, pp.178-9.

¹⁵⁰ The formation of the League was announced on 14 June, see *Times*, p.7; for the BPL's manifesto see *Ibid.* June 18, p.8, where it proposed to affiliate existing anti-Budget groups in a national campaign. Although its President was Walter Long and its Chairman, Herbert Jessel, the League claimed to be 'non-party'.

After the successful launch of the Liberals' Budget League,¹⁵¹ the non-appearance of the moderate Liberal revolt, the by-election defeats in July (in which the BPL had intervened) and the Chancellor's successful rhetorical defence of the land taxes, the failure of the League was seen by Tariff Reformers as symptomatic of the Party's refusal to fight the Budget with an explicit commitment to Tariff Reform. Not surprisingly, it was held partially responsible for the Budget 'scare' in early August, when it appeared that the Government had regained the political initiative, and the Tariff Reform press became increasingly hostile to Long, suspecting that the Anti-Budget campaign was a 'moderate' conspiracy to drop contentious items like food taxes and social reform from the Unionist programme. The League was criticised for the emphasis it had given to attacking the land taxes, which had proved an unpopular line with working class audiences; as Ridley told Maxse:

I feel much concern...about the situation. W.Long and the Budget Protest League have spoilt a very favourable situation...There is not the faintest doubt the Dukes and Walter Long have "queered the pitch," and whatever we may say now, the fight in the minds of nine out of ten workingmen will be ...that of 'Coronets and landowners' against the People's Budget.¹⁵²

In effect the militants were facing the same situation as before the 1907 Birmingham Conference when it appeared that an appeal to 'middle' opinion might mean the sacrifice of a comprehensive tariff policy. The Budget offered the Chamberlainites their greatest political opportunity since 1903, and they probably had a greater influence within the Party than at any previous time. There is some evidence that their fiscal programme was

¹⁵¹ For unfavourable comparisons of the BPL with the Budget League, see Balcarres' criticisms in *The Crawford Diaries*, ed.J.Vincent, (Manchester 1984), 24 September 1909, p.135, and Rosebery to Long, 7 August 1909, WLP Add.Ms.62414 (Unsorted).

¹⁵² Ridley to Maxse, 15 August 1909, MP.460. See also J.Chamberlain to E.Goulding, 27 July 1909, WAR.2/30. Winterton informed Maxse that Unionist opinion in the North and Midlands had reached the same conclusion; "Choose any battleground rather than that of coronets and landowners against the Budget." 18 August 1909, MP 460.

in an advanced state of development, and there was disappointment that the Leadership did not propose a tariff amendment to the Budget.¹⁵³ Thus pressure was stepped up on Balfour to make an unequivocal declaration the Budget could only be fought with Tariff Reform at the forefront of its policy, otherwise it would be wholly lacking in populist appeal.¹⁵⁴ Anti-Socialism was, in itself, only of limited importance for the Tariff Reformers. Indeed it appeared to have retarded the mobilisation of Unionist public opinion, being dangerously close to a form of pro-landlord class appeal, which had done nothing to win back the Tory Democracy. A worried Garvin, one of the strongest advocates of a 'constructive' Unionist alternative to the Budget, told Maxse: "The great peril is that well meaning Unionists will talk only of Constitutionalism and Socialism...while the press are at work and fighting to keep tariff reform the dominating issue."¹⁵⁵

Garvin had already persuaded Balfour of the necessity of pursuing an intransigent strategy of Rejection in the first half of August, and it was noticeable that the BPL was forced to change direction almost immediately afterwards.¹⁵⁶ Even BPL officials complained of the futility of the negative strategy; the League's Vice-President, Gerald Arbuthnot, told Sandars:

I do submit that something in the nature of a Tariff Reform campaign...[t]he conclusion I draw from what I hear and from my own

¹⁵³ For the tariff 'Budget' see *The Amery Diaries*, Vol.1, entry for 7 May 1909, p.65: "M[ilner] told us in strict confidence that he, Austen Chamberlain, Law and Hewins were meeting and thrashing out every single item of a Tariff Reform Budget."

¹⁵⁴ For 'radical' tariff reform criticism of the BPL, see Maxse's comments in "Episodes of the Month", *NR* 54, Sept.1909, p.34. See also the same column, November 1909, p.356 when Maxse blamed this on a wrong-headed desire to appease the UFTers: "Tariff Reform, which had been advancing by leaps and bounds, was suddenly side tracked, conceivably to placate a handful of Free Fooders who would have fought the Budget in any event." See also Maxse to Law, 29 July 1909, BLP 18/5/100.

¹⁵⁵ Garvin to Maxse, 2 September 1909, MP 460.

¹⁵⁶ For the Budget 'scare' and Garvin's role in restoring Unionist morale in the aftermath, see A.M.Gollin, *The Observer and J.L.Garvin*, pp.93-134. For Garvin's analysis of the situation see Garvin to Northcliffe, (Copy), 4 August 1909, JSP, Eng.Hist. c.759, ff.64-70.

knowledge...is that the Land Taxes are not at all unpopular among the working classes....For the 'Food versus Land' cry needs no explanation whilst our arguments do. On the other hand Tariff Reform is making headway and *always* arouses enthusiasm.¹⁵⁷

Long's tactic thus came under severe criticism from the Leadership's inner circle, who were in search of a scapegoat. Acland-Hood sent out a new directive on the content of Unionist propaganda, giving primacy to tariff Reform; "In the country, every speech, whether by BPL, Tariff Reform or any other Association should be 1/3 Budget and 2/3 Tariff Reform and Unemployment."¹⁵⁸ Sandars believed that the BPL had made two serious 'blunders'; that "they could engineer a campaign on non-Party lines and without the assistance of the political organisation of the Party" and that they conducted "the anti-Budget fight on Budget lines only and without giving that special prominence to Tariff Reform as the preferable alternative."¹⁵⁹ As a result of these criticisms, Long was forced to make a humiliating public denial that the BPL had intentionally ignored Tariff Reform, and accepting that the purely critical approach to the anti-Budget campaign had failed:

The arguments which were applicable when the Budget Protest League was brought into existence are no longer sufficient...I never thought it possible successfully to fight the Budget merely by negative propaganda and without putting forward an alternative...Nobody can suppose that I myself had any doubt or hesitation as to tariff reform when I became President of the League.¹⁶⁰

¹⁵⁷ Arbuthnot to Sandars, 25 July 1909, JSP Eng.Hist.c.759, ff.42-44.

¹⁵⁸ Acland-Hood to Sandars, 8 August 1909, JSP Eng.Hist.c.759, ff.74-77 blaming the BPL for trying to fight the wrong sort of Anti-Budget agitation.

¹⁵⁹ Sandars to Ashley, Sept.15 1909, MTP BR 77/31.

¹⁶⁰ *Times*, 11 August 1909, p.10. For Liberal jubilation at the change in direction, see the Secretary of the Budget League, Henry Norman's remarks in the *Times*, 12 August, p.8; "Beaten on the Budget, as the Protest League undoubtedly is, it has now become the mouthpiece of tariff reform." Long later suggested that his original aim had been to appeal to moderate Liberals, see his speech at Cardiff, reported *Times*, 29 Sept.1909, p.7, "(H)e did believe when he started on this campaign that there was a large body of Liberal opinion which would determine that the Budget was founded upon Socialist principles. He thought they would take advantage of an organisation like this to...urge upon the Govt. to abandon a path which must seem to them...to be fraught with the greatest danger. Some had

Although in terms of substantive policy the differences between Long's negativism and the Leadership's conception of tariff reform were cosmetic, it was precisely this rhetorical commitment which mattered. The decision to fight the election on "Tariff Reform *versus* Socialism", which received a ringing affirmation in Balfour's Bingley Hall speech in late September, ruled out an special appeal to UFTers and middle class Liberals, but it successfully concealed the fact that the Unionists approached a General Election in January 1910 without a constructive programme. Instead the weight of the Unionist message to the working classes lay in the superiority of Tariff Reform to Free Trade Finance in combating unemployment, rather than in claiming that it would provide revenue for major social reforms.¹⁶¹ In other words the policy was a continuation of that pursued by Balfour since Birmingham; Tariff Reform as the 'constructive' component, added to a strong measure of Anti-Socialism, the latter believed to be strong enough to pull over middle class doubters of the former. Anti-Socialism was a means of manipulating politically weak sections of the Party as well as the 'floating' voters. The Budget offered particular scope for this policy; there was a strong attack on direct taxation coupled with the critique of Liberal interventionism. The attempt by 'constructive' Unionists to make Anti-Socialism synonymous with Social Reform was as much a victim of the anti-Budget campaign as the Anti-Socialist Individualism of the Free Traders. The 'radicals' recognised this and complained; Fabian Ware, unlike many Chamberlainites, bitterly criticised the Leadership strategy in late 1909; "(the Budget) was to be repelled by no positive constructive policy, but by an appeal to anti-socialism."¹⁶²

taken advantage of the opportunity, but he confessed that their number had not been anything like so great as he had hoped."

¹⁶¹ See for example the Report of the Central Committee of the National Union, 1909, NUA 2/1/29, p.4, for the centrality of the unemployment argument for the Unionist message.

¹⁶² Ware, "Unionist Opportunism and Imperial Democracy" p.739. See also

Anti-Socialism may therefore have acted as an important instrument of negative unity in 1909, but its more positive value of stimulating a 'taxpayers' revolt' against the Budget remained unrealised. Although 'Property' had taken fright at the Budget, Lloyd George's skilful targeting of the tax increases showed the unresolved divisions between industrialists and landowners, the wealthy and the lower middle classes -- unlike the unity which had been a noticeable feature of municipal Anti-Socialism. The 1910 elections demonstrated all too clearly that it was premature to speak of "Socialism versus Anti-Socialism" as the dominant cleavage in British politics. This was likely to remain the case as long as the Liberals were not seen as excessively favourable to working class interests (which was hardly the case in the 1909 Budget) and increases in direct taxation could be confined to a minority of wealthy tax-payers.

After the disappointments of the 1910 elections and subsequent constitutional struggles leading up to the Parliament Act 1911, 'Anti-Socialism' receded in importance in Unionist strategic thinking. 'Traditional' issues, such as the House of Lords, Ireland, and Disestablishment were promoted by the front benches of both major parties. This became possible as the Government's social reform measures began to dry up after 1911. The most important social reform of the period -- the National Insurance Act, 1911 -- was not fertile ground for the basis of an Anti-Socialist attack, as Unionists welcomed its basic principles (though criticising the details). The UFTers who were prepared to attack all Liberal social legislation were moribund after the 1910 elections, and like other Unionists believed that both fiscal and social issues were now of less importance than the

Hewins' remarks after losing in the January election; "The Conservative line of action...at that time was of appeal to (the) so-called middle class vote against the Government Budget and the people to whom they appealed, laughed at them." *Apologia of an Imperialist*, Vol.1, p.251.

Constitution and the Union.¹⁶³

In terms of social policy, the Unionists did not appear to have reached a consensus based on either 'constructive' or 'negative' Anti-Socialism. Some movements in the direction of a constructive policy, such as the formation of the Unionist Social Reform Committee in 1911 were undoubtedly significant in the longer term.¹⁶⁴ The creation of the first, semi-official policy-producing agency was a concomitant to the organisational reforms of 1911, and one which allowed the Unionists to offer considered, practical social policies -- something which most 'radical' Tariff Reformers had failed to do. Furthermore the apparent detachment by the USRC of a social policy from Tariff Reform might have removed some of the difficulties in recommending a constructive programme to the electorate. However the political significance of the USRC was in reality subordinate to the usual misgivings of the Party hierarchy to constructive programmes. Bonar Law was, as we have noted, a prominent sceptic, and many others shared his views.¹⁶⁵ Fforde has chronicled the inability of Conservatives to agree on a land policy in the wake of Lloyd George's Land Campaign in 1913-4, which seriously threatened the Unionist position in the county seats.¹⁶⁶ Perhaps most importantly, the suspension of food duties in early 1913 finally undermined the radicalism of the Tariff Reform project -- food taxes alone could provide the revenue for substantial social reforms. Thus without this option, Unionists would be forced to find alternative sources of taxation,

¹⁶³ See Strachey to Sir Graham Bower, 2 Dec 1912, SP S/17/3/14; "Socialism I detest but I do not put it up in the same place as the Union."

¹⁶⁴ For the USRC see Jane Ridley, "The Unionist Social Reform Committee, 1911-14: Wets before the Deluge", *HJ* 30.2, 1987, pp.595-613.

¹⁶⁵ See for example, Salisbury to Law, 1 August 1912, BLP 27/1/2. For indifference to social legislation amongst the rank-and-file, see Long's report of the state of opinion in Liverpool, Newcastle, Bristol, Bradford, and Manchester, Long to Law, BLP 26/1/76, n.d 1912. Also Arthur Baumann, "Is a Tory Revival Possible?" *FR* 542, Feb.1912, pp.217-25.

¹⁶⁶ Fforde, *Conservatism and Collectivism*, pp.126-59.

which would have been politically suicidal if the burdens were placed on the middle class electorate.¹⁶⁷ There were therefore strong reasons for the Unionist retreat from any sort of 'constructive' programme.¹⁶⁸

In one area, however, Anti-Socialism did retain its importance. The industrial unrest of 1911-14 had given many Conservatives an unpleasant experience of what appeared to be a dangerous form of extra-parliamentary Socialism: Syndicalism. Although some saw it as a partly justifiable response to the 'servile State,' most Unionists saw it as an opportunity to exploit public fears of aggressive trade unionism.¹⁶⁹ Although the nature of the industrial unrest (which was a response to long-term prices outpacing wages) did not leave much room for a specific Unionist response, it did allow them the opportunity to attack certain aspects of trades union power. In 1910, for example, many Unionists had made support for the Osborne Judgment part of their platform.¹⁷⁰ They believed that a strong line against 'socialist' infiltration of the unions would win over non-Labour workingmen.¹⁷¹ The exact impact of 'Osborne' on Unionist fortunes in 1910

¹⁶⁷ See Austen Chamberlain to Lord Cromer, 3 Dec. 1913, CP FO.633/22 ff.196-7, for concern at the tax burden of the lower middle classes.

¹⁶⁸ Sykes, *Tariff Reform*, esp.293-4 argues strongly that the post-1910 Unionist Party retreated into its stronghold of Property; see also Green, "Radical Conservatism." esp. "Conclusion."

¹⁶⁹ For the former view see Fabian Ware, *The Worker and his Country*, (1912), for the latter, and more representative view, see Arthur Clay, *Syndicalism and Labour*, (1911).

¹⁷⁰ For the Osborne Judgment, see Henry Pelling, "Politics of the Osborne Judgment", *HJ* 25.4 1982, pp.889-909; W.V.Osborne, *Sane Trade-Unionism*, (1913) -- Osborne himself was a Liberal and a member of the British Constitution Association. For Unionist support of the Judgment, see Lansdowne to Balfour, 24 Sept.1910, BP Add.Ms.49730, ff.121-4; National Union Conference, 17 Nov. 1910, NUA 2/1/30; Long to Balfour, 3 Oct. 1910 Add.Ms.49777, ff.68-71; Austen Chamberlain to Balfour, Sept.23 1910, Add.Ms.49776, ff.91-96, and Balfour to Chamberlain, 21 Sept. 1910, ACP 8/6/12, pledging his support.

¹⁷¹ As a result, Unionists were prepared to see the unions as more conservative institutions than previously, seeing some potential in the Unions' perceived anti-statism with which to split the Labour movement; see for example, George Peel, (a Unionist politician), *The Future of England*, (1912), p.36: "Socialism is universal collectivism; trade unionism is corporate individualism."

is hard to assess, but it is clear that many Unionists saw the question of the political levy as wholly different to earlier problems about the immunity of union funds.¹⁷² Thus they took a more combative line than they had over the Trades Disputes Act.¹⁷³ A successful revolt against the levy would cripple the parliamentary Labour party, and encourage moderate unionists to regain the initiative in the organisations.¹⁷⁴ There were a number of initiatives started to win over workingmen at the factory level,¹⁷⁵ and in Parliament, Unionists pressed amendments to the Trades Union bill, including opt-in Clauses for the levy.¹⁷⁶ Unionists thus resisted the 1913 Trades Union Act, and this more overt hostility to the political power of the unions presaged the open hostility felt by many Unionists after the war.

However such agitation was of marginal strategic significance because it did not pose a direct threat to the Government, and most Unionists were no more prepared to be seen as an anti-working class party in 1914 than they were in 1906. Their best hope lay in building up a base amongst the

¹⁷² See for example Bonar Law to Austen Chamberlain, 1 Oct.1910, BLP 18/8/12, on fears of some Unionists; "They fear a new Taff Vale agitation, but on this I am sure they are mistaken, for there is a great difference...between the legal decision which takes money away..and the decision which saves....the necessity of subscribing." As a result of this belief, many Unionists accepted Payment of Members.

¹⁷³ There was thus a full division for the second reading of the Trades Union (no.2) Bill, see *Parl.Debs.* vol.41, 6 Aug. 1912, cols..2975-3088, though not on the third reading, vol.47, cols. 1675ff.

¹⁷⁴ See the National Union leaflet "The Truth about the Unionists and the Trades Union Bill" (1912), advocating choice in paying levy to any party; and the ASU's pamphlets. "The Trades Unionist's Peril" (ASU 99 n/d) and "Trade Unions and the Labour Party" (ASU 84 n/d).

¹⁷⁵ See for example the reports on the Scottish Labour Federation, an anti-socialist group in the Glasgow, BLP 42/N/11/1-2, and Sir George Younger to Law, 9 October 1913, BLP 30/3/12 for Unionist subsidies to this organisation. The ASU was also active in attacking 'socialist' trade unionists, see BLP 42/N/12 for details of its Trade Union campaign and Arthur Beck to Law, 23 June 1910, BLP 8/6/120 for ASU Midland Counties Division's investigation into trade union accounts.

¹⁷⁶ Unionists tried to force a number of amendments to the Trades Union Bill at committee stage including restriction of picketing and a choice of political funds, See Viscount Wolmer, "Memorandum on Trades Union (no.2) Bill", Third Earl Selborne papers, Ms.Eng.Hist.c.982, ff.146-68, 1912, and Wolmer to Clement Edwards, 4 Dec. 1912, *ibid.*, ff.82-5, (not sent).

working classes, whilst exploiting discontent with wider economic conditions. At the same time there is little evidence that the Unionists' had any better understanding of working class aspirations than did the Government. Indeed if the views of some observers of working class opinion are to be accepted, the 'National Efficiency' projects of the radical Right were even more unacceptable than those of the Liberals.¹⁷⁷The absence of a genuine economic and fiscal alternative however limited the potential for 'constructive' strategies. The demise of the fiscal dispute after 1912-3 also undermined the Anti-Socialist grand strategies of both the UFTers and the radical Tariff Reformers -- both factions became obsolescent. Anti-Socialism set itself the more modest task of proselytising amongst the industrial workforce, and the unhappy experiences of the ASU after the 1910 elections suggest that this was not a Unionist priority. If it had played any part in reuniting the Unionist Party by the outbreak of war, its role was not a dynamic one. It merely provided a convenient stock of beliefs which practically all Unionists could agree on in times of adversity. In 1914 Anti-Socialism was still waiting for the big issue, to which it could give a profitable answer for the Unionists.

¹⁷⁷ See S.Reynolds, B. and T.Woolley, *Seems So!: a Working Class View of Politics*, (1913), for working class hostility to 'coercive' social reform, based on inspectorates and compulsory income contributions. This criticism of 'National Efficiency' was particularly compelling given the authors' sympathy with many Conservative beliefs.

CHAPTER SIX

Anti-Socialism, The Middle Classes, and the Triumph of 'Constitutionalism': Conservative Politics 1918-22.

(I) Introduction.

This final chapter takes the discussion of Anti-Socialism into the very different environment of the post-war period. Although the impact of the War on public perceptions of the State and its relationship to the citizen can be exaggerated, it is clear that the events of the wartime mobilisation and the subsequent problems of the restoration of post-war 'normality' were viewed in the context of fears about class conflict and the danger of an over-powerful state. However the greatest political catalyst for changing perceptions was the emergence of the Labour Party as the main Opposition to the Coalition Government. The 'impact of Labour' confirmed many of the predictions of the pre-war Anti-Socialists; that 'Socialism' would become the fundamental division in British politics; that the lines of division between the Parties would be on overtly class lines; and that this would allow Conservatives to capture the votes of the ex-Liberal middle classes. A variety of issues were brought into play to effect this supposedly fundamental cleavage -- hostility to Bolshevism, both at home and abroad, resentment at the high taxation required by the wartime State (though only in the post-war period), and a rather shrill 'class' rhetoric, attacking various aspects of the working class political independence.

The growing strength and independence of the Labour Party forced Conservatives to renew their appeal to the professional and lower middle classes, who were now more susceptible to the Anti-Socialist message than was the case before 1914. The Right found it was most successful in winning

support from these groups by exploiting their resentment over levels of taxation, especially when the beneficiaries of public expenditure appeared to be the working classes. The similarities with the pre-war anti-municipalist agitation are significant in explaining the greater success of the Anti-Socialist platform in national politics after 1918. The major wartime extension of the tax-base made possible this development. The exploitation of the taxpayer was clearly linked to the Government's supine attitude to trade union militancy -- as a result resistance to Socialism also demanded a reassertion of constitutional propriety both against those who challenged it with 'Direct Action' and those in government who were prepared to buy them off with backdoor deals. The resultant Conservative identity was one which had its origins in the successful containment and manipulation of class fear, rather than any direct experience of class conflict; it was such a platform which facilitated a successful appeal to the middle classes and many in the working classes. This tough-minded Conservatism of the immediate post-war period, constrained whatever eirenic impulses were present in 'Baldwinite' Conservatism, and as such the inter-war 'Conservative' nation could never be as inclusive as its more 'liberal' proponents believed or projected.

(II) The Meanings of Anti-Socialism in the Coalition Era.

The immediate post-war period saw a gradual transformation of political rhetoric and strategy away from the reformist possibilities of 'Reconstruction' to that of an anti-Socialist, conservative platform by 1922. In spite of the political upheaval caused by the fall of the Coalition in October 1922, there was no major alteration in the direction of Conservative strategy as it had evolved between 1918-22.¹ With the

¹ For the political history of the period see in particular K.O.Morgan, *Consensus*

industrial militancy of 1919-21 and the Government's decision to give priority to a deflationary economic strategy coupled with economies in public expenditure, together with backbench Conservative discontent at the Government's attempted 'socialistic' legislation, Lloyd George veered away from more radical legislative proposals from the middle of 1920.² Instead of the wartime rhetoric of class harmony came an increasingly assertive counter-attack on 'Labour,' understood as both the organised industrial workforce and the Labour Party which this class was increasingly sympathetic to Anti-Socialism had become the core doctrine of both the Coalition and its right-wing opponents.³

The recession from reformism was of course incomplete, and the Government never adopted a consistently hard line over industrial disputes, but many Conservatives increasingly saw in the 1918 election result the vindication of Conservatism rather than the 'centrist' platform of social reform claimed at the time.⁴ As 'bolshevism' and industrial unrest became live issues, many on the Right saw Anti-Socialism rather than Reconstruction as the fundamental identity for Conservatism. With the steady gains made by the Labour Party in by-elections from late 1919 (they won fourteen seats from the Coalition between 1919-22), the relative merits

and Disunity: The Lloyd George Coalition Government 1918-22, (Oxford 1979), and Maurice Cowling, *The Impact of Labour 1920-24: The Beginning of Modern British Politics*, (Cambridge 1971). See also C.Wrigley, *Lloyd George and the Challenge of Labour: The Post War Coalition 1918-22*. (Hemel Hempstead 1990).

² The Cabinet's decision not to proceed with a tax on war profits in June 1920 rather than for example the rejection of Coal Nationalisation or the emasculatation of the Ways and Communications Bill in 1919 is usually taken as the symbolic moment of the swing to the Right, but the former measure unlike the latter two was believed to have widespread support.

³ I would therefore question Morgan's assertion, *Consensus and Disunity*, pp.20-1 that "The anti-socialist phobias of Property Defence Leagues and the like in pre-war days, their hysterias in the face of syndicalism, 'direct action' and other threats, now seemed ludicrously out of date."

⁴ I use the term 'Conservative' throughout this chapter for sake of convenience, although this did not become the dominant form of usage until after the signing of the Irish Treaty in December 1921.

of a 'constructive' and 'Centrist' strategy against a confrontational, 'Conservative' approach dominated political debate within the Coalition.

Yet the salience of 'Labour' admitted no straightforward reworking of the Anti-Socialist message; a number of 'Anti-Socialist' strategies were produced, reflecting the fluidity of post-war party allegiances, and the differing perspectives of how the post-1918 electoral system would work. These differences were not symmetrical with the Liberal/Conservative division in the Coalition, indeed the most significant divisions were within the Conservative party, and they help explain much of the later development of inter-war Conservatism. This chapter shows how certain versions gained at the expense of others between 1919-22 as political priorities changed, with a degree of consensus being achieved over the substantive content of this policy. However the nature of the party system which emerged in the later 1920s confounded many of the predictions made during the Coalition period, which foresaw the major line of division being between a merged Conservative-Liberal Anti-Socialist bloc and the Labour Party.

At the level of local politics, this development occurred without centralised direction. In the 1919 municipal elections the Labour Party had performed significantly better than in the General Election; as a result Liberals and Conservatives saw the necessity of combination in conditions which were less favourable than their parliamentary counterparts enjoyed. By the early 1920s anti-Socialist alliances between Liberals and Conservatives had been formed in Sheffield ("Sheffield Citizens' Association" formed in 1920), Bristol, Crewe ("Crewe Progressive Union"), Derby and Swindon, whilst "anti-Socialist" pacts were in operation in such places as Wolverhampton, Nottingham, Coventry, and Bradford.⁵ The failure of the

⁵ See Chris Cook, *The Age of Alignment*, (1976), pp.56-63. Cf. *Times*, 11 October

complementary Centrist Anti-Socialist bloc on the parliamentary level, projected with considerable confidence between 1918-22, was perhaps the most surprising non-development of the inter-war years. This was despite a growing convergence of journalistic and political opinion in favour of the idea of Anti-Socialist 'fusion.' the Conservative academic, F.J.C. Hearnshaw, stated something of a commonplace when he insisted:

Differences which divide Conservatives from most Liberals are as nothing compared with the differences which separate both from Socialists, Syndicalists and Anarchists. The new line of cleavage in politics runs through the old Liberal Party. The true place of the majority of Liberals is in union with moderate Conservatives in a great constitutional party.⁶

This view was shared in various forms by such senior Coalition politicians as Winston Churchill, who was rapidly acquiring the reputation as the Government's most aggressive Anti-Socialist,⁷ Austen Chamberlain, Lord Birkenhead, Robert Horne, and even the prime minister himself.

The logical outcome of such thinking was to propose a merger between the two main Coalition parties into a single Anti-Socialist and constitutionalist 'Centre' party. The idea of such a party had dominated high political discussions in the winter of 1920, after the Labour party had surprisingly won the Spenn Valley by-election in December 1919. The idea however was premature -- both Conservative and Liberals felt it involved an unnecessary sacrifice of traditional principles and identity.⁸ Even amongst the supporters of the Centre Party idea, there was a wide divergence of

1921, p.7: "The present tendency is towards a sinking of differences between the older parties in view of the economic rather than political importance of local government and the running of ratepayers' candidates in opposition the those nominated by Labour organisations."

⁶ F.J.C.Hearnshaw, *Democracy and Labour* (1924), p.76.

⁷ For an example of Churchill's support for this amalgamation see Martin Gilbert, *Churchill vol.V Companion* part 3, (1982), p.1804, in a letter to Dundee Unionist Association, 11 March 1922.

⁸ For the negotiations over the Centre Party see Morgan, *Consensus and Disunity*, Chapter 7. Only four senior Liberals apart from Lloyd George supported the proposal -- Churchill, Addison, Macnamara and Guest. The main points of contention were Free Trade, Imperial policy and Ireland.

opinion; Churchill saw it as a rallying point for Anti-Socialist opinion, whilst Christopher Addison, the Health minister and one of the Cabinet's few radicals, argued against using the concept as a codeword for reactionary social and economic policies. Lloyd George's view of the idea is rather less clear, though his speech to Coalition Liberal MPs in March 1920 emphasised the anti-Socialist potential of such a Party.⁹ This interpretation was corroborated by George Riddell, the newspaper editor and close confidant of the Prime Minister, who perceptively noted of Lloyd George:

With great dexterity, he raised the battle cry against socialism. He cannot expose the claims of Labour to higher wages, better housing, better education etc. On these heads, ostensibly at any rate, there is no difference between the policy of the Tories and the Liberals on the one hand and Labour on the other, but the cry of 'socialism' will rally the former and split the latter.¹⁰

The problem with this interpretation of Anti-Socialism was not that it offended the right-wing, but that it was promoted opportunistically to marginalise many subjects on which they felt strongly -- this, rather than the Government's alleged acquiescence to Labour, alienated the Diehards in 1921-22.

However the Coalitionists were not the only group to experience difficulties in trying to reorient politics in this direction. The traditionalist Right had also altered its attitude to Socialism, boosting its credibility in the process. The Right, through such groups as the British Empire Union, the National Party, the National Security Union and the Liberty League, produced a deluge of propaganda after 1917 attacking 'Bolshevism' at home and abroad. Bolshevism was identified as the new Jacobinism, and atrocity tales from Russia filled the pages of Conservative periodicals. It was seen as a more formidable threat than pre-war Socialism because of its active

⁹ *Ibid.* p.185.

¹⁰ *The Riddell Diaries*, ed. John MacEwen, (1986), 27 March 1920, p.307; for Lloyd George's growing conservatism see p.309.

subversion in Western countries and numerous attempts were made to show how Bolshevik networks operated in Britain.¹¹ These conspiracy theories also reflected a growing unease on the Right about the future of the Empire in the face of post war nationalist revolts (blamed on Bolshevik agitators) and consequent emphasis of xenophobic and anti-semitic opinions.¹² The weakness of this sort of propaganda was not its sensationalist tone (one must remember the success of the Zinoviev Letter) but its inability to link the Anti-Socialist to the grievances of particular social groups or as a basis for a critique of Government policy.

Perhaps the most significant long term successes of anti-Bolshevik and later anti-Communist propaganda were not in the sphere of foreign affairs or internal security of the State but in the field of industrial relations. The formation of bodies like the Economic League (1919) and the British Commonwealth Union were a specific response to the desire by private employers to weed out 'subversives' from the workforce.¹³ Whilst this was not a new strategy, it developed a new sophistication and systematisation in the inter-war years with blacklists and intelligence gathering activities being made available to employers. A related but less confrontational attack on Socialism was associated with 'patriotic' or 'constitutional' labour movements which appealed directly to the workers to disown left-wing union leaders. Such bodies had little hope of success if they were imposed from above, though some groups did try to generate

¹¹ See for example Arthur Shadwell, *The Revolutionary Movement in Great Britain*, (1921). For the right-wing pressure groups see S.White, "Ideological Hegemony and Political Control: the Sociology of Anti-Bolshevism in Britain 1918-20." *Scottish Labour History Society Journal* 9, 1975, pp.1-20.

¹² Perhaps the most notorious example of the linkage between anti-Bolshevism and anti-semitism was *The Causes of World Unrest* (1920), published by the *Morning Post* with an introduction by its editor H.A.Gwynne.

¹³ For the programme of the BCU see Hannon Papers, H12/1; for the Economic League see Arthur MacIvor, "A Crusade for Capitalism: the Economic League" *JCH* 25, 1988, pp.631-55.

'constitutional' Labour parties at the grass roots level. The most significant of these groups was the National Democratic Party, which won ten seats in the Coupon election and sat as allies of the Government. The Party had originally been known as the British Workers' League, formed in 1916 to represent 'patriotic' Labour.¹⁴ Its MPs were for the most part genuine workingmen and they succeeded in arousing a good degree of popular enthusiasm in 1918, defeating several leading pacifist Labour leaders. However as the NDP represented an older generation of 'Lib-Lab' opinion (it was Lloyd George Liberal rather than Conservative in allegiance) it had great problems in responding to industrial class conflict in a way that would preserve its working class credentials, and was practically defunct at the fall of the Coalition.

Anti-Bolshevism was therefore a localised variant of a wider Anti-Socialism which had much in common with the outlook of the pre-war Anti-Socialist activists. The real significance of Anti-Socialism lay in its ability to reshape political allegiances; it could not do this without an attempt to link the appeal to particular social groups and interests with grievances against Organised Labour or who were appearing hostile to particular forms of 'capitalism' -- such as profiteers. Increasingly particular policies came to be implicitly associated with Anti-Socialism; the need to cut Government 'waste,' the pursuit of a deflationary economic policy as the prelude to the restoration of the Gold Standard, the preference for traditional types of taxation, such as income tax and the continuing high levels of indirect taxation in preference to taxes on rentiers as suggested by the capital levy, together with a continuing faith in private enterprise expressed in such policies as decontrol and anti-nationalisation, and the conviction that

¹⁴ For the NDP see Roy Douglas, "The National Democratic Party and the British Workers' League" *HJ* 15.3, 1972, pp.533-552, and John Stubbs, "Lord Milner and Patriotic Labour" *EHR* 87, 1972, pp.717-54.

economic stability would be based on increased production, carrying with it the suggestion that the onus lay on the workforce. This was not a deliberately constructed political strategy, it did not need to be because of the Labour Party's inability to form a lasting Government in the 1920s -- but as the following discussion shows there was both sufficient coherence and novelty to speak of a reworking of Conservative ideology in the decade after the War.

(III) Constitutionalism versus Direct Action -- Two versions of 'Democracy.'

The immediate post war period saw the Anti-Socialist Right preoccupied with the problem of democracy. The coming of near universal suffrage in the wake of the social dislocations of war seemed to make real the threat of class politics, which conservatives had agonised over for the past thirty years.¹⁵ As one writer noted:

Ultimate power has been given to the majority, which consists chiefly of the labouring classes, and it is idle to imagine that these classes will not use this power to improve their conditions of life. Government in a democratic country cannot be carried on with the disinterestedness...of an enlightened aristocracy or enterprising middle class...We must realise that questions of economics and taxation are going to dominate politics for a generation, and that the masses will become more and more conscious of the supremacy of the power placed in their hands.¹⁶

The extent of industrial unrest and the success of the Labour Party in by-elections from the end of 1919 made this type of observation something more than a *cliché*. The extent of the Conservatives' success in the 1918 General Election, when they won back many working class seats lost in

¹⁵ For Conservative scepticism about 'full' democracy in this period, see David Close, "The Collapse of Resistance to Democracy: Conservatives, Adult Suffrage, and Second Chamber Reform, 1911-28" *HJ*.20.4 1977, pp.893-918.

¹⁶ W.Green, "The Labour Crises II: the Labour party and the State" *NC* 531, May 1921, p.781.

1906 appeared to give confirmation of the loyalty of 'Patriotic Labour,' and many Conservatives, from both wings of the party, had a genuine commitment to some kind of 'Reconstruction'.

By the summer of 1919 this confidence had largely evaporated. The wave of strikes in early 1919, which had ended in violence in Glasgow and Belfast, the demand of the miners' union for nationalisation of the mines and the subsequent highly publicised deliberations of the Sankey Commission, and the emergence of 'Direct Action' as an extra-parliamentary strategy with which to force concessions from the Government on political issues, such as British intervention in Russia, all seemed to demonstrate the growth of a pre-revolutionary situation. Although the labelling of left-wing militants as 'Bolsheviks' was often merely an attempt to discredit industrial action, there was strong evidence that both within the Cabinet and in the constituencies the threat of 'revolution' was taken seriously. These fears reflected in part an ignorance about the real causes of industrial militancy, such as the restoration of pre-war working practices, the attempt to keep wages in line with spiralling inflation and a widespread movement towards national collective bargaining.¹⁷ There were further difficulties in government-run industries which experienced dislocation in the process of 'decontrol' and where structural difficulties made nationalisation a live issue.¹⁸ Nevertheless the emergence of 'Direct Action' as an industrial strategy did mark a novel challenge for Anti-Socialists.

'Direct Action' was open to several varying definitions. Mainstream trade unions, in particular the Triple Alliance of miners, railwayman and transport workers, understood it as the widespread use of the sympathy strike to force concessions from the Government, whether in political or

¹⁷ See H.A.Clegg, *A History of the British Trade Unions Volume 2 1911-33*, (Oxford 1985), pp.265ff.

¹⁸ For 'decontrol' see Susan Armitage, *The Politics of Decontrol of Industry*, (1969) *passim*.

industrial disputes. Its logical conclusion was the general strike, although this was not considered a serious option between 1919-21. Direct Action was thus a strategy tailored towards dealings with the State, not the ordinary private employer, and in the industrial sphere it was inseparable from the interests of the Triple Alliance unions, as long as the coalmines and the railways remained under government control. Thus in 1919 the miners proposed 'Direct Action' in support of their demand for nationalisation.¹⁹ However the real significance of Direct Action was in political disputes; the campaign by the TUC in 1919 to get Government assurances that conscription would be dropped and the British troops would be withdrawn from Russia, and the Council of Action agitation in the late summer of 1920 against British involvement in the Russo-Polish War.²⁰ In both cases there were some on the Left who argued that Direct Action had revolutionary possibilities and urged that the constitution could be challenged by working class political action.²¹ However what concerned the Government about the Council was not so much revolutionary infiltration, as the fact that prominent Labour moderates were prepared to use extra-parliamentary action, particularly the threat of a general strike, to thwart Government policy.

The response of the Right to such agitations was predictable. The *Outlook*, attacking the unions' threat to strike over conscription and Russia,

¹⁹ It must be said reluctantly. Although the TUC backed the miners in 1919, with the collapse of the nationalisation agitation in early 1920 it quietly dropped the issue, Clegg, *British Trade Unions*, pp.287-88.

²⁰ For the Council of Action see L.J.MacFarlane, "Hands Off Russia: British Labour and the Russo-Polish War, 1920" *Past and Present* 38, 1967, pp.126-52, and Stephen White, *Britain and the Bolshevik Revolution*, (1979), pp.30-51. For Conservative attacks on the Council, see "A Challenge to Trade Unionists" (NU 1993) claiming it was bent on "destroying the activity of the People's House of Commons and replacing it by a Soviet Council of Action." and "Heavy Civil War" (NU 1994).

²¹ See Cowling, *Impact of Labour*, pp.34-36, for examples of some of the more extreme left-wing versions of Direct Action.

proclaimed:

The...threat to resort to industrial action, unless the Government withdraws our troops from Russia and drops the Military Service Bill, is revolutionary in the strictest sense of the word. It is the claim of the minority to control by means unknown to the constitution, the policy of the nation. It threatens not merely the Government, but Parliament...It attempts to set up as paramount to the Estates of the Realm a power resting on the basis of industrial terrorism.²²

Direct Action was thus unconstitutional, a brazen challenge to Parliamentary sovereignty, and an attempt to impose the demands of a small organised minority by force. It appeared to be a continuation of the activities of the pacifists during the war, especially the 'Soldiers and Workers' Councils' established after a meeting of various left-wing groups at Leeds in June 1917. As some of the delegates at this conference had praised the achievements of the Russian Revolution (February), it came to be seen as the start of Bolshevik subversion in Britain.²³

The Right began to attack Direct Action as anti-democratic, a reflection not merely of Labour's failure at the polls in 1918, but of a more sinister development within socialist doctrine inspired by Leninism. Arthur Shadwell defined it as "the planned and organised use of the strike to promote the revolutionary purpose by damaging and weakening capitalism,"²⁴ whilst the *Spectator* condemned it "as an attempt to do away with representative government and to impose the will of a section upon the mass by means of paralysing strikes."²⁵ Anti-Socialists attacked the unions for both conceding power to a militant rank-and-file and, at the same time,

²² *Outlook*, 29 March 1919, p.273.

²³ For the Councils see Stephen White, "Soviets in Britain: the Leeds Convention of 1917" *Int.Rev.Soc.History* 19, 1974, pp.165-93, who shows that the main motivation behind the Councils was pacifist not revolutionary, continuing the agitation for a 'democratic' peace. The Diehard Duke of Northumberland traced the Direct Action philosophy to this agitation, see his "Nationalisation" *NR* 75, June 1920, pp.639-51.

²⁴ A.Shadwell, *Revolutionary Movement in Great Britain*, p.21.

²⁵ *Spectator*, 29 May 1920, "Government by Sections" p.713; see also Lyndon Macassey, "Direct Action" *ER* 232, October 1920, pp.361-79.

for imposing revolutionary policies on a largely non-socialist membership. In fact as so few of the senior union officials of the period were identified with the extreme Left,²⁶ they were forced to argue that senior union officials were falling under the dominance of younger colleagues further down the hierarchy, (it was often true that district officials were more militant than the national leadership but this was mainly due to their ignorance of the constraints facing the latter in negotiations with the Government.) What was not questioned was the fact that Direct Action was a conspiracy against the public, and only the most brazen example of the organised working classes exploiting other sections of the community. Thus the view of Lord Bryce that "(t)he new Socialism which seeks to obtain its objects by strikes and which is called 'Direct Action' is the negation of Democracy" became commonplace.²⁷ The *Outlook* noted in early 1919: "Of late years (Socialists) have taken a new departure, and instead of pretending any longer that Socialism and Democracy are identical, have boldly proclaimed that Socialism is not....a democratic scheme at all."²⁸

Direct Action appeared to be an attempt to realise the dictatorship of the proletariat along Bolshevik lines by men who were wholly unrepresentative of the working classes. Anti-Socialists thus tried to exploit the anti-majoritarian aspirations of the Left, linking moderate rank-and-file unionists with the main body of constitutional opinion -- the middle classes.

The *Spectator* asked:

Are we to remain a free democracy, or are we to substitute for it the dictatorship of the proletariat? -- the proletariat meaning as we see in Russia, not even a simple minority, but the minority of a minority,

²⁶ Robert Williams of the National Transport Workers Federation was the only genuine extremist, though Smillie and Hodges of the Miners' Federation and Cramp of the NUR were regarded as left wing militants.

²⁷ Bryce to Dicey (Copy), 23 December 1919, Bryce papers, MS.Bryce 4, ff.234-5.

²⁸ *Outlook*, 25 January 1919, pp.68-9.

supported by mercenaries and controlled by conspirators of an alien hue.²⁹

It asked the workers "to make up their minds whether the old way, the British way, the constitutional way is not after all the best."³⁰

The Anti-Socialist attempt to incorporate the pro-democracy slogan was more than rhetoric however. The defence of Parliament was presented as the legitimate expression of a fundamentally conservative public opinion, and served a number of functions for the Right. Primarily it operated as a safeguard against right-wing politics drifting towards authoritarianism, instead 'democracy' within a framework of established political hierarchies would reinforce allegiances within the national community; ironically this confidence was made possible by the political dominance of the Coalition most right-wingers were trying to undermine. Secondly this version of 'democracy' was a highly conservative one, as it assumed the passive support of the public for the Government and parliamentary institutions. This was however connected with the promise that in the event of actual extra-parliamentary conflict the 'constitutional' classes would be justified in taking various forms of Direct Action of their own in defence of the constitution. This line was sometimes accompanied by support for the referendum; Strachey predictably insisting:

The Referendum would of course burst the Labour bubble, and would be the best possible insurance against the only revolutionary danger, which is a Labour government coming in...listening to the voice of temptation and usurping power by revolutionary means, that is passing Acts to prolong Parliament.³¹

The purpose of this argument was to show Labour that it was quite irrefutably a minority, both socially and politically, in the electorate -- the interests of Organised Labour conflicted not only with the professional

²⁹ *Spectator*, "The Real Issue", 21 August 1920, pp.228-9.

³⁰ *Ibid.* 13 March 1920, pp.336-7.

³¹ Strachey to Sir George Younger, 12 January 1922, S/19/4/4. See also *Spectator*, "The Will of the Majority" 10 January 1920, pp.36-37 and 29 July 1922, "The Essentials of Unionist Policy", p.132 arguing for the retention of the Unionist name as "the solidarity of the community".

middle classes, but also shopkeepers, housewives and the unorganised working class.³² Whether this confident belief in Labour's minority sociological status in the electorate was truthful is disputable, but there is a strong impression given by contemporary Anti-Socialist opinion that the unions could be outmanoeuvred without great conflict; the *Spectator* contended that Labour "does not mean the People, but rather a minority of the People -- at most that portion of the hand labourers who are organised in Trade Unions, plus a certain number of bureaucrats like Mr Ramsay Macdonald and Mr Sidney Webb."³³ The defence of Parliamentary democracy also had another ulterior purpose; by insisting on the authority of Parliament, the Right could criticise the opportunist and aloof style of the Coalition leadership. Lloyd George had worried many Conservatives by his liking for backroom deals with union leaders, of which the Commons was invariably unaware. This came to be one of the main arguments of the independent Conservatives in the campaign for the restoration of party government.³⁴

The idea of 'constitutionalism' was therefore easily accommodated within traditional Conservatism -- its salience moderated the Right's pessimism over the constitution, and they used it to justify the reassertion of authority by the traditional elites. In parallel with this process Anti-Socialists argued that the education of the working class in constitutional

³² See the remarks the National Democratic Party's journal, *The Empire Citizen*, no.1, 1921, p.6, attacking the post-war strategy of the Unions: "(P)olitics became a struggle of the classes. What has been the result? Except in constituencies predominantly industrial, Labour cannot secure election. The middle class has become sharply antagonistic, and it would seem that Labour is doomed to permanent minority."

³³ "The Will of the Majority" *Spectator*, 4 January 1919, pp.4-5.

³⁴ See for example the remarks of the dissident Conservative MP, J.R.Pretymann-Newman, "The Centre Party of the Future" *National Opinion*, no.43, July 1921, p.5: "Is there a Party leader who will say that the authority and dignity of Parliament shall be reasserted alike against the direct actionist as against Cabinet autocracy." See *ibid.* no.53, May 1922, p.6 for an attack on Lloyd George's 'Caesarism'.

methods should be developed. For example in 1924, the Conservative academic, F.J.C.Hearnshaw, published *Democracy and Labour*, which dealt specifically with this problem.³⁵ Doubting the wisdom of constitutional reform to combat Socialism, Hearnshaw maintained that politicians needed appeal to sentiments of honesty and intelligence in the community. He argued that the 1918 Reform Act represented the completion of 'democracy' and the remaining political task was to ensure the efficient working of the system, based on parties with clearly defined principles, who saw their function as converting minorities into majorities by persuasion not coercion. The recognition of parliamentary supremacy was a necessary precondition for stability; Hearnshaw thus concluded "The supreme authority of Parliament over Church and Trade unions and all other associations...is the cardinal principle of the British Democracy."³⁶ It is possible to see in this reassertion of parliamentary sovereignty a reaction against the pluralist doctrines fashionable in the late Edwardian and immediate post-war period. The most politically influential 'pluralist' ideology, syndicalism, appeared discredited by its association with industrial anarchy. In the later 1920s and 1930s right-wing thought swung back towards advocating devolved but authoritarian institutions in the shape of 'corporatism.'³⁷ But in the aftermath of the Lloyd George coalition most Conservatives were satisfied to defend a traditional constitutional theory.

Conservative Anti-Socialism also tried to extend the 'democratic' rhetoric into an attempt to reform the trade unions. Conservative attempts to limit union power through legislation did not bear fruit until the 1927 Trades Disputes Act (which replaced opting out with opting in --thereby

³⁵ Hearnshaw claimed "it is especially concerned to defend constitutional method against the method of 'direct action'" *Democracy and Labour*, p.xi.

³⁶ *Ibid.* p.82. "Parliament in Great Britain is the supreme organ of public opinion." p.77.

³⁷ See Gerald Webber, *The Ideology of the British Right 1918-39*, (1986) esp. Chapter Six, pp.94-111.

satisfying the Conservatives' long-held grievance against the reversal of the Osborne Judgment). Resentment against the unions' legal status had long been simmering on the Right, and they suggested a number of reforms which would curtail the ability to raise funds and call strikes. The main proposals were for secret ballots before strikes, the reform of the political fund and a firmer separation of funds for strike purposes and those for ordinary welfare provisions. Pretyman-Newman laid the blame at the 1906 Act:

The Trades Dispute Act has lasted fifteen years too long and the time is overdue for putting an end to what Cobden even seventy years ago termed the 'cursed tyranny of the Trades Unions.'³⁸

However most Conservatives saw the best hope of success in the repeal of the 1913 Trades Unions Act. Denying they had any hostile intent to the legitimate functions of the Unions many Anti-Socialists took refuge in a view of the unions which had long disappeared with the arrival of national unions engaged in industry-wide collective bargaining. Thus Hearnshaw hoped:

If the Trade Unions can be converted from fighting machines into Cooperative Societies...can be persuaded to use their large accumulations of capital for developing industry instead of destroying it, can be made to see that the way to secure control...is by investment and not by expropriation, then, indeed, will a day of new hope have dawned for Britain.³⁹

Conservatives also tried to improve the position of the moderate rank and file through the establishment of Unionist Labour Committees on the constituency level; another modest attempt to flesh out Tory Democracy. One of their aims was to get supporters elected as union officials, though they do not appear to have achieved any noticeable success due to the indifference of the main constituency organisations.⁴⁰

³⁸ Pretyman-Newman, "Centre Party of the Future" p.5.

³⁹ Hearnshaw, *Democracy and Labour*, pp.241-2.

⁴⁰ For the Labour Committees see R.M.Mathams "Unionist Labour Committees" *Conservative Agents Journal*, March 1920, pp.1-5, "The Why and Wherefore of the Unionist Labour Committees" (NU no.1982) -- the Committees tried to get Unionist workingmen elected onto trade union

The Anti-Socialist counter-attack on trade union militancy was conditioned by a number of factors which allowed them to adapt 'democratic' rhetoric. Firstly it was unquestionably the case that Organised Labour was a minority of the electorate -- appeals to various unorganised social groups thus made political sense. Secondly there was much truth in the claim that rank-and-file trade unionists resented their leadership's involvement in political issues as in the case of the Council of Action. Whether the Unions could have relied on their members in the event of British intervention is open to question. Union leaders did undoubtedly understand the war weariness of the working classes, though their strategy of threatening a general strike was based on dubious political and legal calculations. If Direct Action appeal failed then the Conservatives had great opportunity to exploit their position as defenders of the 'public'.⁴¹ The unions were peculiarly vulnerable to this sort of counter-attack because of their self-conscious identification with 'Labour', defined as unionised, male workers, and because their relative strength compared to the Labour Party between 1919-21 encouraged a narrower conception of 'democratic' appeal than was available to those who preferred the ballot box to Direct Action. With membership falling rapidly with the recession taking hold in 1921, the concerns of politicians moved towards the concerns of other social classes, and in the next section I shall examine how the middle classes came to terms with post-war labour militancy.

councils, and aid workmen standing in local and national elections.

⁴¹ Cf. Ross McKibbin, "Class and Conventional Wisdom : The Conservative Party and the Public in Inter-War Britain", *Ideologies of Class*, p.299.

(IV) The Politics of Right Wing Dissent 1918-22.

(i) The Politicisation of the Middle Classes.

"With the collapse of Russia visible to all, a collapse due not so much to treachery and inefficiency as to the lack of a middle class, the cause of that class in this country is invested with tremendous significance."

"Middle Class Emancipation" *Saturday Review* 5 April 1919, pp.320-1.

One of the most important long term developments arising out of the immediate post-war situation was the growing political militancy of the 'middle class' in the face of the challenge of organised Labour. The consequences of the Fourth Reform Act together with the Trade Unions' apparent influence over the policies of central Government appeared to leave the interests of the middle class dangerously exposed. Faced with economic conditions which did not in general favour their interests and a Government which was more concerned to negotiate with well-organised skilled workers, the traditional 'classlessness' of the middle class political consciousness now appeared to be a liability. As a result the years between 1918-22 saw an important development of a specifically 'middle class' consciousness, which drew on attitudes and aspirations which were not reducible to either traditional Conservatism, nor, despite similarities, to the Anti-Socialism of the pre-1914 period.⁴²

The main, long-term beneficiary of the middle class backlash was the Conservative party, whose political hegemony in the inter-war years was founded on the almost unshakeable loyalty of this constituency at election-time.⁴³ In the immediate aftermath of the war it had been a very different

⁴² Cf. the remarks of Lothrop Stoddard, *Social Classes in Post-War Europe*, (1925), p.94 on the new political consciousness of the post-war middle classes.

⁴³ For a recent interpretation of the inter-war Conservative Party as *ideologically* a party of the suburban middle classes see Ross McKibbin, "Class and Conventional Wisdom" and "Conclusion" in *Ideologies of Class*, pp.259-302. For a local study of middle class attitudes, see Tom Jeffrey, "The Suburban Nation: Politics and Class in Lewisham" in Jones and Feldman, *Metropolis London*, pp.189-216.

story; the Coalition Government was faced by constant criticism from sections of the middle class, who felt that it had sacrificed their interests for those of the Trade Unions. The politicisation of the middle classes saw a new importance for the attack on Socialism; the 'socialistic' policies of the Government, its maintenance of economic controls over the economy and continued need for high taxation, together with its apparent determination to buy off working class discontent by negotiating with Trade Union leaders would have aroused considerable suspicion even without the 'Bolshevist' spectre constantly in the background.

For all the importance of the Government's 'Reconstruction' strategy as a means of neutralising working class discontent, their crucial political constituency remained the middle classes. In electoral terms, if not in directly political terms, the middle classes were as important as industrial and agrarian lobbies. Middle class discontent was also potentially the most serious because they lacked the organisation and thus the access to the Coalition's centre of power. Lacking direct links with the Cabinet they were more likely to resort to more unorthodox means of extra-parliamentary protest; the potency of which was demonstrated by the Anti-Waste agitation in 1921. Middle class 'powerlessness' compared to the sinister influence enjoyed by both organised Capital and Labour became a constant theme of this protest.⁴⁴ Sir Harry Brittain complained that Organised Labour and Capital were monopolising the Government's attention at the (economic) expense of the middle class; the Coalition, he argued:

sees these mighty organisations which profess solely to represent a section of the community..while it realises that there are others who compose the social machine, these others are silent and unorganised. Out of sight is most surely out of mind. The Government, thus, falls easily into the habit of remembering only, dealing only with the *vocal* working classes. Glance at the record of any six months legislation of the recent years. Labour,

⁴⁴ See for example A.Wright, "Professional Men and their Investments" *Financial Review of Reviews* 130, March 1920, pp.72-87.

Labour, Manual Labour everytime. Labour is flattered, batters on success and eventually achieves an arrogance which finds at last a too complaisant Government hard pressed to make further and still further concessions.⁴⁵

This sense of neglect was easily exploited by political groups on the Right (and Centre). The right-wing National Party, which in its earliest pronouncements had stressed a wartime class-collaborationist credo between the ruling and working class, was just one of many groups to take up the middle classes' cause in 1919-20; its journal adduced in this source further reasons for abandoning the Coalition:

What hope is there for the middle class so long as it continues to stand by the Coalition?...Has this great and important section of our community anything to thank the Government for, regarding legislation for its betterment. We think not; on the contrary practically all the legislation passed has proved most detrimental. Look where you will, profiteering in all commodities is rampant, housing accommodation at a reasonable figure does not exist, travelling expenses are always on the increase and the margin left from a slender income is quite insufficient to provide necessary recreation...⁴⁶

Although middle class discontent led to numerous attacks on the beneficiaries of unfair competition such as profiteers and monopolists, the brunt of the criticism was borne by the unionised working classes, because they presented the most obvious threat to middle class anxieties about their social position. Any attempt to corroborate middle class claims of falling living standards and inadequate bargaining power in the marketplace obviously goes beyond the scope of the present thesis. It is of course erroneous to see the post-war middle classes as sharing a common *economic* experience as the economic interests of the middle classes were more diverse than other classes. Yet it is plausible that there was a growing *cultural* homogeneity within the middle classes but this was largely negative, directed against the unionised working class, and thus any attempt to organise the middle classes on positive, substantive proposals was likely to

⁴⁵ Sir Harry Brittain, "Middle Classes Mobilise!" *Review of Reviews* 59, May 1919, p.316.

⁴⁶ *National Opinion*, February 1920, no.26, p.7.

expose internal differences.

Some politically significant generalisations can be drawn however; the middle classes were likely to be hostile to the inflationary conditions which followed the Armistice (with the exception of those entrepreneurs who profited from the boom).⁴⁷ Inflation was blamed on the Government's failure to control its wartime propensity for printing money, as it tried to appease the unions, succeeding in only fuelling the wages-prices spiral of 1919-20. Inflation hit rentiers, some of whom had also suffered from wartime regulation. Therefore some individuals would have undoubtedly have suffered a decline in value of their income, particularly those who had made their investments before 1914 on fixed rates of interest, civil servants whose pay had not kept pace with prices (ironically one of the groups most bitterly criticised by the Anti-Wasters), landlords who had lost out to the wartime Rent Acts, holders of railway stock whose dividends were subject to State control, and holders of public utility stock.⁴⁸ On the other hand many middle class rentiers were to draw considerable benefit from the Government's decision to finance the bulk of wartime expenditure from borrowing rather than taxation, and their policy in the 1920s of giving the repayment of debt priority in Budget-making. However even allowing for the comparatively modest levels of war taxation, many middle class people felt that post-war prices remained abnormally high, and were perplexed when they failed to fall back to pre-1914 figures. Apart from Government profligacy, the obvious explanation was that were being used for the benefit of the working

⁴⁷ See for example the remarks of Sir Charles Addis, President of the Institute of Bankers, *Morning Post*, 9 November 1921, p.5: "Bankers knew better than most people the bitter suffering, for the most part silently, indeed heroically borne, which inflation inflicted, and still inflicted upon the professional classes, whose remuneration was fixed by custom....He did not intend to use the language of exaggeration, when he said that unless something was done for their relief, there was a danger of a large section...the community being wiped out."

⁴⁸ A.L.Bowley, *The Economic Consequences of the War*, (1931), p.77.

class elector.

As 1918 had seen the final symbolic break in the idea of representation linked to taxation, so taxation acquired a new significance in the post-war political conflict. Middle class political consciousness was constructed around these levels of taxation; as Bernard Waites has argued: "During the 1920s the taxpaying line arguably conformed more closely with social class divisions than it had before the war since above it stood many salaried and professional workers who would have escaped income tax before 1914, and below it stood the majority of weekly wage-earners."⁴⁹ The post-war system of taxation was felt by many to be unduly favourable to the working classes, who had benefited from rising wage levels, but without income tax thresholds keeping pace with them. As long as the continuing high rates of indirect taxation are kept in mind there was some truth in this charge. In 1916 income tax thresholds had been cut to £130 p.a, thereby making many manual workers liable for income tax for the first time, and by 1918-9, 1.43m manual workers were eligible. However with generous abatements for married family men, it was likely that only a very small proportion of weekly wage-earners paid income tax (usually young bachelors); thus in 1918-9 a married wage-earner with three children earning £250 p.a paid no income tax. Many middle class taxpayers took the high level of non-payment by manual workers to mean widespread evasion, made possible by the fact that they were paid on weekly not monthly or yearly rates.⁵⁰ This feeling was exacerbated by the Coalition's inability to deliver significant tax cuts after 1918, due to its commitment to achieve balanced budgets as part of the process of returning to the Gold Standard.⁵¹

⁴⁹ Bernard Waites, *A Class Society at War*, (Leamington Spa 1987) p.109.

⁵⁰ The middle classes were also left uncovered by the Unemployment Insurance Act, 1920, which increased the coverage of national insurance to most industrial workers, i.e those earning less than £250 p.a.

⁵¹ Chamberlain's 1920 Budget proved particularly unpopular with the business

Indeed it was not until the mid-1920s that the Conservatives were able to make significant cuts in the basic rate of income tax, but once they had done so, and the system of allowances and rebates had become more developed there is no doubt that the tax system worked in favour of the salariat.⁵² Yet the Coalition Government was constantly assailed by the middle classes because it failed to bring in deep cuts in taxation (the basic rate of income tax was still six shillings in the pound in 1918).

The main features of middle class discontent were therefore the fear of inadequate political organisation in the face of greatly strengthened trade unions, and concern at what was seen as the consequences of that strength - high taxation and spiralling inflation. The challenge posed by 'Bolshevism' set these fears in a wider international context, encouraging some soul-searching about the possible political role the middle classes might be called upon to play if serious social unrest broke out. It also stimulated rethinking about the middle classes' relationship with the non-Socialist political parties. The complacency of the Coalition was seen as liable to cause a break in conventional allegiances and augur in a new era of more class conscious political groupings.

One significant response to this unease was the Middle Classes Union,

community for raising Excess Profits Tax to 60%, and introducing a Corporation tax on company profits. These measures were partly designed to undercut the clamour for a 'Capital Levy' -- a key component of Labour's post-war fiscal policy -- as well as the less contentious tax on war wealth. The capital levy -- a wealth tax -- was intended to rapidly reduce the accumulated Government debt; it was rejected because it was feared that it would massively undermine financial confidence and cut investment. For the 'Capital Levy' debate see R.C. Whiting, "The Labour Party, Capitalism and the National Debt" in P. Waller, ed., *Politics and Social Change*, (Brighton 1987), pp.140-60.

⁵² It has been calculated that in 1929 a married man with two children on £400 p.a. would have paid no income tax, if he had earned £500 p.a. he would have paid £8; see S. Glynn and J. Oxborrow, *Inter-War Britain: a Social and Economic History*, (1976), pp.47-48. Given the fact that middle class unemployment remained at very low levels in the inter-war period these figures have an added significance in explaining the Conservative Party's success.

formed in March 1919, with Lord Askwith, the Government's former chief industrial negotiator, as President.⁵³ According to its founders, the Union intended to be a countervailing force to Organised Labour, and it enunciated the usual anti-Socialist and anti-statist doctrines; Kennedy Jones MP thus declared:

The middle classes were the greatest force in the nation, and if only they combined and worked in able cooperation, it would be in their power when threatened by legislative, bureaucratic or industrial tyranny, to hold up the worker, the capitalists, and even the Government, if they found that they were not getting a fair and square deal.⁵⁴

It was obvious from this sort of rhetoric that their conception of 'middle class' was targeted at those earning less than £2000 p.a, as these were most likely to be politically disaffected, rather than the wealthy.⁵⁵ It was not inevitable that such a grouping should have followed a conventional Conservative path; its economic difficulties might have encouraged white-collar unionism, demands for increased social spending on housing and education, and the taxation of high income groups -- to some extent these feelings were present in groups like the MCU in their support for taxation of war wealth etc. However the over-riding impression of their beliefs is that the fear of Labour was so great as to convince them that only a return to a decontrolled economy and limited government would improve their economic position *vis-a-vis* the unions, as well as restore political stability threatened by the Bolshevised Left. Thus the middle class political agitation ran in parallel lines to the desires of many traditionalist Conservatives, who wanted to restore pre-war political conditions.

⁵³ For the inaugural meeting at the Cannon Street Hotel see *Morning Post*, 7 March 1919, p.3.

⁵⁴ *Ibid.* p.3. William Kennedy Jones, (1865-1921) was a journalist and Unionist MP for Hornsey, 1916-1921.

⁵⁵ Kennedy Jones defined 'middle class' in the following terms: "To my mind they are all unorganised citizens who come between the federated manual workers on the one hand and the smaller but almost equally powerful class who stand for organised capital." *Daily Mail* 29 November 1919, cited in John Bonham, *The Middle Class Voter*, (1954), p.21.

This lack of radicalism in middle class beliefs was noticed by an unsympathetic observer: "Even in perishing, (the middle classes) will still wave the old banner of Anti-Labour and still be wishful to provide volunteers to 'blackleg' every Tram or Railway or Coal or Municipal Strike."⁵⁶ Masterman touched on a subject which was to form an important feature in the mental world of suburban Conservatism in the 1920s. With the growing geographical and social distance caused by suburbanisation and the growing dependence of the middle classes on 'essential' services, then the strike threat possessed by the major unions was likely to impinge on their lives in a way which it had not before 1914.⁵⁷ The result was an often bitter antagonism to strikes, with 'politicised' middle class groups preferring to confront the unions directly rather than passively acquiesce in the strike. 'Direct Action' thus appeared to non-industrial areas as much more than a purely ideological threat. The result was a growing willingness to organise permanent middle class strike-breaking groups, either quasi-autonomous or independent of State control. This had important repercussions for relationships between the classes, with the middle classes much more willing to become involved in industrial disputes, whether in support of a strong Government, or to pressurise a supine one. Before the war, the question of strike breaking had centred on 'free' labour, used by employers who refused to recognise trade unions. The middle classes had rarely been touched by these disputes, but the post-1918 unions prepared to stop 'essential' services as part of their normal strategy, the significance of the strike affected the whole community.

⁵⁶ C.F.G. Masterman, *England after the War*, (1923), p.56.

⁵⁷ Masterman, *Ibid.*, p.55; describing the attitude of an imaginary Conservative suburb, Richford, to the working classes: "Labour only enters its kingdom as a coal supply rendered ever more limited and expensive by the insatiable demand of coal miners to work short hours for immense wages; or as the increase of its necessary season-ticket to 'town' owing to the demand of the railway workers for higher pay...."

McKibbin has noted how this notion of the non-unionised 'community' was to acquire a peculiar normative and ideological force in the 1920s and 1930s -- together with the associated ideas of the 'public' and the 'nation.'⁵⁸ These terms were applied to groups assumed to be natural anti-Labour, if not Conservative, voters. They were seen as detached from industrial conflicts and able to claim a degree of political neutrality unavailable to the large employers -- and it followed that this notion of the 'public' was based on the exclusion of certain groups, namely the unionised working classes. The wishes of the 'public' usually had priority over those directly affected in a particular dispute. This did not mean that groups like the MCU had any intention of becoming involved in all forms of industrial dispute as allies of the employers (this was not after all a genuine problem in Britain); they intervened in strikes in the 'essential services,' a category which included the mining industry as well as public transport and the utilities, where the existence of a 'public' interest in the outcome was most obvious.

At the same time there was no mistaking their political enmities; as one writer put it:

All through the war the middle classes have been gradually ground down by the relentless pressure of high taxation and of high prices, due to the war on one hand and on the other to the tyranny of a small minority of the working class community which, regardless of the suffering of all classes, has taken advantage of the country's trials only to force up the rate of wages.⁵⁹

The MCU's journal *New Voice* warned that this situation made appeals to class harmony increasingly redundant: "It is no use camouflaging the position by speaking of eliminating class hatred, or by attempting to

⁵⁸ McKibbin, "Class and Conventional Wisdom; Bonham, *Middle Class Voter*, p.20, originally noted the use of this language, but wrongly claimed that it had always replaced direct reference to the 'middle classes' -- it would probably be more accurate to say that the use of 'community' and 'public' became more widespread as the political position of the middle classes became more secure in the late 1920s.

⁵⁹ *National Opinion*, no.14, Feb. 1919, p.2.

compromise with such people as these. The class hatred already exists in its most virulent form."⁶⁰ The appearance of middle class strike-breakers was apparent as early as the 1919 Rail Strike when volunteers were operated locomotives and prepared alternative forms of transport.⁶¹ However some observers wanted to confront the strikers more directly, the *Spectator* called for sanctions against the strikers as consumers, suggesting that "Doctors could withhold their advice and chemists their medicines; engineers could refuse to apply their technical knowledge to the supervision of machinery...editors could refuse to give any kind of publicity."⁶²

During the 'Council of Action' crisis in 1920 the Middle Classes Union was active in organising 'citizens' groups' to maintain services.⁶³ Although the Union was not involved in major strike-breaking activities before 1922, there was considerable interest within Government on the potential for harnessing such volunteers not merely to keep essential services running, but to use them as a symbolic demonstration of the power of the 'constitutional' classes in opposition to the minority of union militants. The Government's planned emergency measures in this area have been subject to a good degree of scholarly attention, and I do not intend to reiterate the details.⁶⁴ Although the political significance of bodies like the Supply and Transport Committee, formed after the 1919 Rail strike to coordinate emergency organisation in the face of strikes in essential services, should not

⁶⁰ *New Voice*, May 1920, p.3.

⁶¹ The MCU provided a number of such volunteers in Glasgow, *Ibid.*, April 1920, p.3. It also claimed to have intervened in smaller strikes in Middlesex, Southampton and Sheffield, *Ibid.*, July 1920, p.2.

⁶² "The Class with Character" *Spectator*, May 24 1919, pp.654-5.

⁶³ *New Voice*, September 1920, p.12, for the decision to set up local 'Councils of Public Safety' for strike-breaking duties. For support for such groups see *Spectator*, "The Right of the Community to exist" August 30 1919, p.268, and *National Opinion*, Feb.1919, p.2.

⁶⁴ See in particular K.Jeffrey and P.Hennessy, *States of Emergency: British Governments and Strike Breaking since 1919*, (1983), and R.Desmarais, "The British Government's Strikebreaking Organisation and Black Friday" *JCH* 6.2., 1971, pp.112-27.

be exaggerated, there was some political importance in the Government's growing preference for using civilian volunteers rather than the Armed Forces for intervention in strikes. Although some like Geddes had wanted new citizens groups set up for the purpose, the bulk of new recruitment was done through the traditional avenue of the Special Constabulary.⁶⁵

Apart from participation in such organisations, there was also the attractive possibility of taking preventative action against the Unions by altering Trade Union law. Groups like MCU, as well as many of the Conservative rank-and-file, enthusiastically took up proposals for limiting trade union power.⁶⁶ Furthermore trade union 'irresponsibility' in pursuing inflationary wage claims increased the misery of the middle classes, and upset the accepted hierarchy of social prestige, by exploiting the middle classes' general lack of institutionalised bargaining power. In forming voluntary groups to defend the 'national interest,' middle class activists hoped to neutralise this weakness by returning to the pre-war situation of low-profile industrial disputes.⁶⁷

The success of groups like the Middle Classes Union in influencing a

⁶⁵ Jeffrey and Hennessy, *States and Emergency*, p.37 note that some Cabinet Ministers were prepared to arm volunteers in an emergency. They also assumed that the middle classes were eager to undertake such duties, Auckland Geddes opining "the Universities are full of trained men who could cooperate with clerks and stockbrokers."

⁶⁶ See for example the resolution of the Union's Grand Council in February 1920: "The Middle Classes Union urges His Majesty's Government...to establish Compulsory Arbitration Courts for the settlement of industrial disputes; to make all strikes illegal which are declared without previous resort to such Courts; to make all strikes illegal if declared without a previous secret ballot taken under Government control; and to take powers to withhold strike funds in the case of breach of laws regulating industrial disputes." *New Voice*, September 1920, p.12.

⁶⁷ Interestingly it was denied that there was any analogy between 'constitutional' strike-breaking and the more violent activities of the Italian fascists. See for example *National Opinion* 68, August 1923, p.18: "Fascismo [sic] is not, and has never been a middle class movement; it is essentially a working class one. Any organisation of the middle class in this country on similar lines would be but to accentuate the actually existing class hatred."

shift in Conservative attitudes towards a more confrontational attitude to Labour after 1918 is hard to assess, if only because much of this change in attitude was the result of natural antipathy. The MCU like all such groups was a small-scale affair, though its claims for branches and membership numbers far exceeded those of similar Anti-Socialist groupings, and unlike the narrowly-based and rather paranoid individuals found in the National Party and the British Empire Union, the MCU did attempt to create a broad based and permanent movement in the constituencies.⁶⁸ It did so not by any particularly novel critique of Socialism but through its ability to link Anti-Socialism and its associated fears with practical material concerns of social groups facing serious economic uncertainty for possibly the first time. In this equation of practical demands -- such as the reform of income tax -- with an ideological image which stressed the need to return to limited government and a freer market the MCU was both a threat and an opportunity to Conservatives.

The growing importance of the English suburbs to the Conservative Party after 1918 has been noted, and the fact that a group like the MCU was concentrated in South-East England brought home to many MPs the need for alterations in their political rhetoric as well as policy.⁶⁹ Such groups were particularly effective in undermining the Conservatives in local elections, partly because opinion was easier to mobilise on the rates than on national issues. The MCU regularly promoted its own candidates in local

⁶⁸ Thus in November 1920 *New Voice* claimed to have 200 branches and over 100,000 subscribing members, p.3. In May 1920 *New Voice* p.2, expressed the desire to gain a membership of half a million.

⁶⁹ According to the list of branches listed in April 1920, 115 out of 148 were in southern England, *Ibid.* April 1920, p.6. This outer London area was one of the main beneficiaries of the Representation of the People Act 1918, which Ramsden has estimated gave the London suburbs thirty extra seats (in effect, seventy once the Irish seats are discounted), -- outer London increased its share from 15 to 40 seats, and 35 of these seats were held continuously by the Conservatives between 1918-45, John Ramsden, *Age of Balfour and Baldwin*, (1978) p.122.

elections, or supported favoured candidates of the main parties, with some degree of success.⁷⁰ This caused some concern in areas like London where Unionist organisation was moribund.⁷¹ Conservative dissidents also saw the value of groups like the MCU in undermining the Coalition. Lord Salisbury for example was involved in negotiations with the Union in 1921 on forming a common 'Economy' campaign with his People's Union for Economy.⁷² In an interesting exchange of letters with his brother, Lord Robert Cecil, it was Salisbury, the supposed arch-traditionalist who showed himself more sympathetic to middle class opinion, whilst Cecil continued to express suspicion of the Union's motives, urging instead an alliance between landowners and workers.⁷³

The class nature of the MCU was to some extent a weakness, at least if not adequately disguised, if only because it mimicked its Labour opponents in promoting interest group politics. It was also possible that the confusion surrounding the exact identity of the 'middle classes' might have discouraged recruits from the lower middle classes, especially as the Union appeared to have been run by the more affluent professional classes.⁷⁴ Thus

⁷⁰ In the 1921 local elections the Union claimed that 45 out of its 62 candidates and 231 out of 272 candidates of other parties who enjoyed the Union's support had been elected, *New Voice*, December 1921, p.13. The MCU claimed that it had no plans to compete on a national level, see J.R.Pretyman-Newman's remarks in the *Morning Post*, 11 May 1921, p.6.

⁷¹ W.G.Towler of the LMS warned that the Coalition was removing the stimulus for political activity in the capital, allowing groups like the MCU to flow into the vacuum; *Conservative Agents' Journal*, Dec.1919, p.3. He was writing in the after Labour had made unexpected gains in the London Borough elections in November, 1919, gaining control of 12 councils; 'Conservatives' blamed the setback on the Liberal-Unionist pact in the metropolis.

⁷² See Lord Salisbury to Lord Robert Cecil, 1 May 1921, RCP Add.Ms.51085, ff.79-82 for the 'Diehards' plan to use the MCU organisation.

⁷³ Cecil to Salisbury, 18 May 1921, *Ibid.*, ff.92-7, (Copy); "(T)heir view appears to be that the smaller trading and professional classes should band themselves together to protect their interests from revolution and extreme labour demands...they are all against all change unless it can be shown to be of direct advantage to their class interests."

⁷⁴ *New Voice*, May 1921, pp.14-7, reporting a Grand Council Meeting on the subject on 22 April. Salisbury also insisted that any amalgamation with the

in December 1921 the MCU formally changed its name to the National Citizens' Union.⁷⁵ Thereafter the Union's importance steadily declined as the Conservative Party successfully re-established its political independence after 1922, and pursued policies generally favourable to the salariat and professional classes.⁷⁶ The importance of groups like the Union lay in its ability to tap an undoubtedly important, and largely novel, form of middle class discontent, the neglect of which could have had fatal consequences for the Conservative Party after 1918. The policies favoured by the MCU were backward looking; decontrol and lower taxes, cuts in social services and reform of trade unions, but they were also relevant to political action in a way that some traditionalist Tory concerns e.g. with Imperial security were not. With the redistribution of seats in 1918 the suburban middle-and lower-middle class suburban householder became an ever more critical component in Conservative strategies, particularly as the expansion of the Party's membership in the 1920s was made in such groups.⁷⁷

It can be argued that the decisions to pursue deflationary economic policies from the middle of 1920 and the acceptance of big expenditure cuts marked an early recognition by Conservatives like Austen Chamberlain to attract this class (which would have contained many former Liberals and women voters of no fixed loyalties). Yet the 'middle classes' were also a particularly heterogeneous social group, with widely differing economic, cultural; and regional differences. Although policies like deflation had a

PUE would require 'Middle Classes' to be dropped from the title, see Salisbury to Cecil, RCP Add.Ms.51085, ff.79-82.

⁷⁵ *New Voice*, Dec.1921, p.2. The Union's General Secretary, Stanley Abbott explained the change thus "The word 'classes' has in recent years acquired such a taint of bitter aggressiveness in relation to political and industrial conditions that the designation of a Middle Classes Union is constrained at the outcome as a purely sectional and wholly selfish impulse." *Ibid.* Jan.1922, p.6.

⁷⁶ The NCU apparently remained in existence until at least 1936.

⁷⁷ Ramsden, *Age of Balfour and Baldwin*, p.248f.

generally stabilising effect on such groups, the cement holding them together was mainly ideological, based on their fear of Organised Labour and the economic ruin it promised. Exploiting the memories of 'Bolshevism' as it appeared between 1918-22 to the middle classes was an important means of holding the Conservative vote together after that date.

(ii) The Revolt Against the Coalition: Anti-Waste 1920-21.

The Anti-Waste campaign conducted between early 1920 and late summer 1921 proved to be the most serious challenge that the Coalition faced from the Right. The success of the campaign against inflated Government expenditure had profound effects not only on the deterioration of the Coalition but also on the nature of inter-war Conservatism. The 'Economy' campaign convinced those Conservatives who were pressing for a stringent policy of 'dear money' as a preliminary to the rapid restoration of the Gold Standard, that public pressure against high taxation provided them with the necessary political support to pursue such a course. This is not to say that post-war financial policy was dictated simply by the need to appease Conservative voters, merely that phenomena like the Anti-Waste agitation showed that the painful consequences of deflation might not prove politically disastrous.

The 'economy' campaign of groups like the Anti-Waste League might not appear to have much to do with Anti-Socialism; it did not engage the Trade Unions or Labour Party directly, and it was not suggested that the Government's propensity to waste taxpayers' money had an ideological motive. Yet any agitation against high taxation would inevitably involve criticism about state interference, particularly that which seemed 'redistributory.' The integrity of the Conservative Party in the eyes of its supporters, as the opponent of Labour, was predicated on its reluctance to

appease the working classes through costly social reforms. Once engaged in a competitive provision of welfare with other parties, the Conservative party would begin to fragment, with its right-wing possibly breaking away and capturing middle class voters with a promise of lower taxation. The threat of a taxpayers' revolt thus was the dynamic aspect of post-war Anti-Socialism.

'Economy' thus became a critical proof for a return to 'normality' for the Right. They were concerned that the example of wartime finance, where the State had extended its economic control both by heavy taxation and by deficit financing, had set an unhealthy precedent for peacetime. This appeared to be confirmed by the Government's tentative steps to implement its 'Reconstruction' programme in 1919-20. This policy, it was argued, was not only hampering economic recovery, but setting a dangerous precedent for an incoming Labour Government, with the institutional and fiscal devices for major public expenditure in place. But the 'Anti-Waste' agitation was more than an attack on specific Coalition policies, it was a critique of the style of Government implicated in those policies; big Ministries which did nothing in particular, 'experts' in Government, imperialistic pretensions in Russia and the Near East, and overarching all these developments, Government by executive *diktat* under Lloyd George's inspiration. 'Anti-Waste' thus became a catch-all strategy for undermining the Coalition, adaptable to right- and left-wing interpretations. Although the Anti-Waste League led the way, the 'Economy' issue was exploited by Diehards, Asquithians and the Labour Party. However the most obvious beneficiaries were the Right, provided they could persuade the public to forgo expenditure cuts in the Armed Services, or else to mix their Conservatism with a dash of Gladstonianism (which was the Anti-Waste League's favoured recipe).

In 1919-20 the 'Anti-Waste' message was confined to a few cranks

and outsiders like Lord Rothermere and Horatio Bottomley. Most Conservatives favoured 'Economy' in the abstract but were unclear on how it was to be quickly achieved considering the continuing problems of readjustment. However in August 1919 there had been a serious outburst of discontent at Government estimates, supported by an increasingly concerned Chancellor, Austen Chamberlain, but the revolt died down when the Prime Minister promised cuts in expenditure.⁷⁸ This incident was important because it encouraged Chamberlain to pronounce in December 1919 that Government borrowing would end (as a part of the counter-inflation strategy.) This decision coincided with the start of Lord Rothermere's Anti-Waste campaign, confined at this stage largely to the columns of his *Sunday Pictorial*, but which culminated in the by-election campaigns of 1921. Rothermere carried on this campaign practically single-handedly in 1919-20, apart from the aid of his son Esmond Harmsworth (elected as 'Anti-Waste' Unionist for the Isle of Thanet in November 1919) and the politician and newspaper proprietor, Horatio Bottomley, who pushed a similar message of retrenchment in his populist paper, *John Bull*.⁷⁹ Rothermere's message of 'Economy without Exception' threatened many projects dear to the Right, such as intervention in Russia, Imperial security and large Armed Forces. It was perhaps the thoroughness of his projected retrenchments which prevented the Right coming together on the Waste issue before 1921. Rothermere's populist rhetoric in favour of small government was pitched at the same audience as that pursued by the MCU -- middle class consumers and taxpayers suffering from inflation.⁸⁰ Rothermere thus called on the

⁷⁸ Wrigley, *Lloyd George and the Challenge of Labour*, pp.202-3. For doubts about Lloyd George's ability to pose as an 'economist' see *Riddell Diaries*, 14 August 1919, p.287.

⁷⁹ For perceptive portraits of Rothermere and Bottomley, see Cowling *Impact of Labour*, pp.45-9.

⁸⁰ Rothermere's articles on 'Anti-Waste' in the *Sunday Pictorial* between August 1919 and January 1921 were collected in *Solvency and Downfall: Squandermania and its Story*. (1921).

middle classes to break away from the Conservative Party in order to force them away from extravagance; he contended:

The Conservative Party is steadily encompassing its own destruction. In the past it has relied chiefly upon the support of the middle classes, and upon the votes which those classes influence. The middle classes now find themselves threatened with extinction...(whilst) it is the Conservative element in the Ministry which backs up expeditions to Russia, which wants a huge air force and an Army and Navy that we cannot afford to maintain, which paralyses every attempt to introduce a spirit of economy into the Administration. The middle classes know it, and they are changing their allegiance far more rapidly than Conservatives dream of.⁸¹

Rothermere's Anti-Waste proposals were predictable; deflation, cuts in the Armed Services, ending of all doles and subsidies, evacuation of Russia and Near East, suspension of the provisions of 1919 Education Act, handing over the housing programme to private enterprise, closer supervision of local expenditure, abolition of Labour exchanges, and an inquiry into national and local bureaucracy.⁸² The most effective way of promoting such a policy was through independent action at by-elections rather than in newspaper columns. Bottomley had shown the viability of this by getting one of his supporters elected at the Wrekin in January 1920 (defeating a Coalition Liberal), just after the Labour victory at Spennymoor Valley.⁸³ Government discomfort on the 'economy' issue grew throughout the year with the unfavourable reaction accorded to the 1920 Budget by businessmen, disappointed at the increase in taxation.⁸⁴ The decisive mobilisation of 'Anti-Waste' came in January 1921 at the Dover by-election. A candidate supported by both Rothermere and Bottomley defeated the

⁸¹ "The Conservatives and Waste" 31 August 1919, *Solvency or Downfall*, p.17.

⁸² *Ibid.*, "Twelve Points of Policy" 7 December 1919, pp.52-3.

⁸³ Following the death of the victor, Charles Palmer, Bottomley secured the reelection of another Independent, General Townshend; his intervention in the Stockport by-election in April 1920 was however unsuccessful.

⁸⁴ Thus the Government faced a division on the decision to increase EPD from 40 to 60% -- a decision which businessmen claimed would hit new investment. Chamberlain justified the increase as preferable to a war wealth levy. see right-wing dissent in the debate on the Finance Bill, *H.C.Debs.* 131, 16 July 1920, cls. 2823ff.

Official Unionist candidate in a safe seat. The victory was followed by the formation of the Anti-Waste League, with Rothermere as President and Harmsworth as Chairman, and it began selecting candidates to fight the Coalition at a General Election, concentrating its efforts on South-East England.⁸⁵

Rothermere's success encouraged other anti-Coalition groups to exploit the 'Economy' issue, not so much in alliance with the AWL, but to prevent it monopolising the issue. The People's Union for Economy had been founded some months prior to the AWL, and as already noted cooperated with the Middle Classes Union. The PUE was dominated by 'High Tory' critics of the Coalition; Lord Salisbury was President, and other leading members included Lords Selborne, Chalmers (formerly Permanent Secretary at the Treasury), Inchcape (Geddes Committee), Askwith (MCU), as well as dissident Unionist MPs such as Lord Robert Cecil, and Arthur Steel-Maitland.⁸⁶ The Union enjoyed the support of both the Middle Classes Union and the National Party,⁸⁷ and was intended as a respectable counter-weight to Rothermere's and Bottomley's demagogic tactics, which were believed to have alienated 'respectable' voters.⁸⁸ The price for political high-mindedness was however the inability to organise the PUE in the constituencies, hence it was forced to be parasitic on the AWL until the latter broke down in late 1921.

⁸⁵ *Sunday Pictorial*, 31 July 1921, p.7; AWL candidatures were centred on the greater London area.

⁸⁶ Announcement of formation of PUE, *Morning Post*, 16 July 1920, p.2. For its manifesto, *Times*, 4 August 1920, p.11.

⁸⁷ The MCU cooperated with the People's Union for Economy in Parliament, establishing a Joint Committee to watch Government expenditure, *New Voice*, June 1921, p.3. For the support of the National Party, see *National Opinion* 32, August 1920, p.1.

⁸⁸ For an example of such opinion (misconceived in this case), see Bayford's remarks before the Dover election, *Real Old Tory Politics*, ed. John Ramsden, (1984), p.144, 18 December 1920: "The campaign in the Harmsworth press against extravagance has had the effect of rallying members to the Government."

The Anti-Waste League continued to cause the Government severe political difficulties throughout the summer of 1921, winning spectacular victories in the Conservative heartland seats of Hertford and St. George's, Westminster in June, in each case defeating an official Unionist. It also came close to winning Abbey, Westminster in August, and West Lewisham in September. These defeats in effect sealed its political fate but not before it had forced the Government itself to take up an Anti-Waste posture.⁸⁹ The League eventually lost its momentum partly because of a split between Rothermere and Bottomley (ostensibly about political strategy, but probably a personality clash).⁹⁰ The League ultimately failed because it had no long term political function; once it was successful, its message was easily adapted by more mainstream forces, and its indiscriminating attacks on all forms of Government expenditure began to seem more of a hindrance once the Government had committed itself to cutbacks. On the other hand the AWL's insistence that Conservative sacred cows like defence expenditure would also be led to slaughter tempered right-wing Conservative cooperation.⁹¹ Furthermore the Rothermere campaign lacked other policies to generalise its critique of the Coalition, and was thus regarded with suspicion by other Right-Wing dissidents.⁹² The *Spectator* was typical of this

⁸⁹ The same thing happened in local politics; the LMS decided to run candidates in the 1922 LCC and Borough elections as "Municipal Reform and Anti-Waste" -- the Society was particularly concerned about the possible intervention of independents such as the MCU, AWL, BEU, ratepayers' associations and Chambers of Trade in London local elections, see Mins.Exec.Committee, 9 June 1921.

⁹⁰ It is perhaps worth noting that only St. George's was a genuine Anti-Waste League victory, Hertford was won by Bottomley's efforts alone, and he was not officially part of the AWL organisation. In the Abbey by-election Bottomley supported the 'official' Unionist candidate, Nicholson, against the AWL's candidate. Bottomley blamed Rothermere's 'Economy without Exception' slogan for discrediting the campaign, see *John Bull*, 13 August 1921, p.1 and 3 September 1921, pp.10-11.

⁹¹ For an attack by Chamberlain on the inconsistency amongst the supporters of 'economy' see Chamberlain to Godfrey Locker-Lampson, 16 June 1921, ACP AC/24/3/56 (Copy) .

⁹² Esmond Harmsworth admitted that the League had only short term

anti-populism with its fear that the 'revolt' would get out of hand, and make practicable economies more difficult:

Anti-Waste..as the barbarous, bombastic, and aggressive term connotes, is as far removed from economy as axes are from pruning hooks. The cry "save us from our friends!" might well come from the lips of every true economist, for the cause of prudent and statesmanlike economy has been hurt by this bungling intolerance and indiscrimination of the Anti-Waste campaign.⁹³

Despite this criticism, the Anti-Waste campaign had succeeded in alerting the Government to disaffection among some of its most important supporters. It was an important achievement of the AWL to defeat Conservative candidates in Conservative strongholds, thereby forcing Coalition Conservatives to demand a curtailment to the Government's social reform programme (which was hardly against the inclinations of many). As Austen Chamberlain observed the ultimate beneficiaries of 'Anti-Waste' would be the Labour Party, who would merely consolidate Government over-spending:

(Extravagance) does not make the middle classes support Labour, but it tends to alienate them from the Government and to cause them to stand aloof, and the biggest question of the immediate future is whether dissatisfaction with the Govt.'s finance will lead them to withdraw their support to such an extent as to make a Labour victory possible.⁹⁴

Thus Conservatives, even at Cabinet level were adamant that Ministers stigmatised by 'Waste' such as Christopher Addison, should be dropped, and there was considerable relief when Addison was sacked in July 1921; a convenient scapegoat for the by-election defeats in the previous month.⁹⁵

objectives; "We are not a political organisation at all. We stand for no party. We have men and women of all parties, *Our objects are purely economic.*" *Sunday Pictorial*, 19 June 1921, p.7.

⁹³ *Spectator*, 3 September 1921, "The Prodigality of Anti-Waste" pp.291-2 -- the article concluded: "Competitive Anti-Waste must cease." For similar criticisms see Strachey to Salisbury, January 1921, Salisbury Papers, S(4)95, ff.17-21 and *National Opinion*, Sept. 1921, no.45, p.1. The *Morning Post* failed to endorse the AWL candidate at West Lewisham in September because he ignored the Irish Question, 2 September 1921, p.5.

⁹⁴ Chamberlain to George Lloyd, 11 April 1921, ACP 18/1/20 (Copy).

⁹⁵ For the downfall of Addison see Kenneth and Jane Morgan, *Christopher Addison: Portrait of a Progressive*, (Oxford 1980), pp.120-48. The MCU and

However the most significant success of the Anti-Waste campaign was Lloyd George's decision to establish the Geddes Committee in August to suggest economies in government expenditure. The consequences of the agitation however went far beyond the Geddes Committee, having demonstrated to the Right that their scepticism about the Coalitionists' claim that there was no alternative to Lloyd George except for the 'Socialist' Labour party was wholly justified.

(iii) The Revolt Against the Coalition: the Diehards and the Revival of 'Conservatism'.

The so-called Diehard Revolt of 1921-22 marked the culmination of Right-wing discontent with the Coalition. The revolt was conducted at the very idea of 'coalition', and sought to replace the political and ideological assumptions on which it had been based. The emergence of this faction of irreconcilables within the Conservative Party from the middle of 1921 was a critical factor in accelerating the slow death of Lloyd George's regime. The rallying of opinion behind the idea of a 'pure' Conservative Party ended the idea of a Centre Party as a practical alternative and changed the nature of Anti-Socialist strategy for the remainder of the Twenties. Although the influence of the Diehards was mainly indirect, they were nevertheless a crucial influence in the reconstruction of the three-party system which lasted until 1931.

The success of the Right in bringing down the Coalition in October 1922 might on first glance appear to have been a fatal setback to the Conservative strategy of redefining political allegiances in terms of the

PUE cooperated in the Commons in the attack on Addison, see Pretymann-Newman to Strachey 11 June 1921, SP S/19/3/3. Addison had been removed from the Ministry of Health in March, and been made Minister without Portfolio -- his ministerial salary attracting the wrath of the Right.

negative allegiance of Anti-Socialist/Labour, perceived as the most straightforward way of accommodating ex-Liberal voters. The success of the Right in removing Chamberlain, the most articulate exponent of this strategy, from the Conservative leadership in October 1922 could therefore appear as an atavistic reversion to an older and outdated form of Tory traditionalism. The self-consciously traditional style of the Diehards, their socio-economic background, the areas they represented, and most importantly the issues they promoted, give the impression of a misunderstanding of the needs of post-war Conservatism.⁹⁶

Such a view of the Diehards would however be misleading. Although often presented as a motley collection of blinkered reactionaries, drawn from the landed and military classes, and representing untypical constituencies, such a view would misunderstand the nature of right-wing dissent against the Coalition.⁹⁷ We have already seen that the most dynamic aspect of the post-war Right was the middle class disaffection with the Government's alleged appeasement of Organised Labour, and its concomitant failure to control public expenditure. The demand for a return to a low-taxation, non-interventionist State was traceable to the dominant line of Conservative Anti-Socialism from pre-war days, and it was one which the Diehards fully appreciated. To this they added the vital ingredient needed for its ascendancy; the destruction of any planned political grouping which might

⁹⁶ There is no wholly satisfactory definition of the 'Diehards'. Basically the term is used for those Conservative MPs and peers who actively and openly opposed the continuation of the Coalition, and were prepared to withdraw from it as a consequence. They can be identified from important divisions in Parliament, particularly over Dyer and the Irish Treaty, or from those politicians signing the Diehard manifestoes of March and June 1922. The definition used here is the slightly more formal one of those MPs belonging to the Independent Conservative Group in the Commons, which had fifty members by the summer of 1922, together with their allies in the Lords.

⁹⁷ For example, Stuart Ball, *Baldwin and the Conservative Party, 1929-31*, (Newhaven, Conn. 1988), p.21, for such a characterisation of the Diehards: "Since the First World War the name had come to be given to a small but distinct group of inarticulate backbenchers, who held grimly to the social and political attitudes of a previous generation."

have restored the apparently supine attitude to Labour shown by the Coalition between 1918-1920, and which appeared to be present in the 'Centre' party, canvassed by Coalitionist Conservatives. Some of their number had been actively involved in the Anti-Waste agitation (all the MPs elected on the Anti-Waste platform became Diehards), and some like Pretyman-Newman were involved in the MCU. Many sat for representative middle class suburban constituencies in the South-East, which had been the heartland of the Anti-Waste revolt.⁹⁸ Indeed, with a few exceptions, the Diehards could not be identified with the traditional image of 'Tory paternalism,' but on the other hand they were not directly a pro-'business' grouping. Most of them defended the interests of the Party's middle class constituents, without compromising their particular identity as a largely military-imperial service-landed faction.⁹⁹

Furthermore their interest in such issues as Ireland, India and the House of Lords, although setting them apart from the party's mainstream, did not reflect indifference in attacking Socialism; such 'traditional' issues were usually seen within the context of resistance to Labour or 'Bolshevism,' and if the explicit Anti-Socialist message seems relatively underplayed in their propaganda, this was partly because their political imperative was to undermine the Coalition not Labour. In attempting to do this they attacked

⁹⁸ E.g. G.Balfour, (Hampstead), Viscount Curzon,(Battersea, South), M.Sueter, (Hertford), Viscount Wolmer (Aldershot), E.Harmsworth, (Thanet), A.Holbrook (Basingstoke), C.James, (Bromley), W.Joynson-Hicks (Twickenham), Sir H.Nield (Ealing), J.R.Pretymen-Newman (Finchley). For the location of Diehard support see A.Chamberlain to Walter Long, 27 April 1922, WLP Add.Ms. 62405, ff.100-101: "The feeling in favour of a return to a purely party fight is strongest, as you would expect, in London and the Home Counties, and in those constituencies where our..candidate standing alone is powerful enough to be certain of victory." 56% of the Conservative Group sat for south of England seats (London, Home Counties, South, South-West).

⁹⁹ The 'paternalist' label is probably more accurately applied to a group of younger Conservative MPs close to Lord Robert Cecil; they included Wood, Guinness, Hills, Bentinck, Hoare, Winterton, Ormsby-Gore, and Wolmer (a Diehard), see Cowling, *Impact of Labour*, pp.87-90.

on issues where 'Conservative' doctrines stood out, not on consensual identities like Anti-Socialism which practically all members of the Coalition had taken up with enthusiasm since the demise of 'Reconstruction' in 1921. The Diehards saw no contradiction with upholding traditional doctrines with opposing Labour, and in this it must be admitted they were largely in tune with the rank-and-file.

The Diehards thus represented an alliance between frustrated backbench and constituency opinion, both fearing a loss of influence and identity in a merged Party. One of the main forums of dissent turned out to be the National Union, traditionally sensitive to the betrayal of principles by the leadership. It attempted to publicise the concern of many Party officials over the state of organisation caused by the Coalition arrangement. As 'Fusion' ceased to be a realistic option so the confusion between Coalition Unionist and Liberal organisation in the constituencies became acute. It was felt that this could only be to the benefit of the Labour Party, which had been successfully exploiting its opportunities in by-elections since 1919. This had been followed by the successful intervention of right-wing dissident candidates. The conclusion drawn by Conservative activists was the need for a clearer definition of Party identities to motivate the grass roots activist.

Although the Diehards presented themselves as Conservatives *pur sang*, they were not unsympathetic to anti-Socialist Liberals. Unlike Anti-Socialist Coalitionists like Chamberlain they merely wished to absorb them into a more powerful Conservative Party, rather than make unnecessary compromises through 'Fusion'. The Diehard strategy was however essentially Anti-Socialist; as Selborne contended in 1919:

It would be a mistake to throw in our lot with Liberals unless and until we could come out with a policy which will command the support of Conservatives...The Conservative minded rank-and-file will want a line of resistance which they can clearly realise. They have no sympathy with the despotic employer but they hate the bureaucracy, and the price of coal and

the exploitation by the Triple Alliance. The first point then would be Anti-Nationalisation. These moderate men want economy -- economy without subterfuge, and freedom, and I think private enterprise. But it is more that they want to be free from Government control than they love free enterprise.¹⁰⁰

However the Government's general success in controlling industrial militancy, and the increasingly Anti-Socialist rhetoric of the Prime Minister limited the purchase of such a stance. It was the Government's opportunism which was regarded as the main flaw because the logic of the Coalition arrangement prevented the Government from following any clear set of principles, Liberal or Conservative. The Duke of Northumberland thus complained: "At the present moment Liberalism and Conservatism are alike dead. The parties which call themselves by those names have no principles of any sort or kind; there are no fundamental differences which divide them on any subject."¹⁰¹ This concern with 'principles' had of course its disingenuous side, as they were intended to be exclusionary, automatically setting the terms of compliance for the Liberals, and when combined with a moralistic appeal for 'clean' government, was obviously targeted at Lloyd George.¹⁰² But it also reflected doubts about the exact ideological content of a permanent Coalition arrangement -- whether the balance would tip towards 'Anti-Socialism' or be 'progressive' towards the working classes.

The Diehards were able to draw on powerful currents of resentment amongst the Conservative rank-and-file. As has already be shown the Coalition arrangements had also proved deeply unpopular to many Conservative officials, particularly in Tory strongholds, who believed that organisational work was being held back by the need to placate Coalition

¹⁰⁰ Lord Selborne, "Memo on the Coming Election" (1919), Selborne Papers Box 7, ff.66-9.

¹⁰¹ Duke of Northumberland, "The Future of Conservatism" *NR* 78, Feb.1922, p.777.

¹⁰² There seems little question that the Prime Minister was the Diehards main target, even during the War, see Selborne to Lord Hugh Cecil, Ms.Selborne 87, 11 March 1918: "...of course you and I are not going to take him as our permanent leader under any circumstances."

Liberal opinion. The result, they claimed, was apathy amongst the grass roots, which allowed dissident right-wing groups to recruit the disaffected.¹⁰³ The botched attempt to promote 'Fusion' encouraged the Right to establish a more formal opposition.¹⁰⁴ Two nuclei of dissent became active; the Association of Independent Peers, revived in March 1919, under the leadership of Salisbury, Selborne, Midleton (Diehard leader of the Southern Unionists) and Willoughby de Broke,¹⁰⁵ and the Unionist Reconstruction Committee, the post-war successor of the backbench Unionist War Committee.¹⁰⁶ By February a number of MPs had made clear their total opposition to Fusion.¹⁰⁷ As a result Salisbury began to agitate for a more organised body of Conservative dissent, armed with such principles as would make a 'Centre' Party impossible.¹⁰⁸ Salisbury was encouraged to establish a separate Conservative organisation which would operate in the constituencies.¹⁰⁹ Right-wing dissent predictably manifested itself at the National Union conference in June 1920 (the first full conference since the

¹⁰³ See Towler, "Municipal Elections" p.3 for this argument.

¹⁰⁴ For 'Fusion' see Cowling *Impact of Labour*, pp.93-5, 112-4, although the Right was vocal, Lloyd George also managed to antagonise the Coalition Liberals, and it was their opposition which finally forced him to withdraw the proposal in June 1920.

¹⁰⁵ *Times*, 5 March 1919, p.15.

¹⁰⁶ The URC was formed in 1918, Salisbury was Chairman until replaced by John Gretton, the future Diehard leader in the Commons, in March 1920. See George Terrell to Salisbury, 10 March 1920, MSP S(4) 91/106. The Vice-Council included Carson, Midleton and Neville Chamberlain. For the importance of backbench opinion during the war see John Stubbs, "The Impact of the Great War on the Conservative Party" in Peele and Cook, *The Politics of Reappraisal*, (1975), esp.pp.23-31.

¹⁰⁷ Lord Robert Cecil to Salisbury, MSP S(4) 91/40a; for the rebels, Ormsby-Gore to Salisbury, 17 March 1920, MSP S(4) 91/122, lists 25 MPs as implacably opposed to Fusion (though only 9 future Diehards).

¹⁰⁸ See his memorandum, MSP S(4) 92/27-9, April 1920, calling for a strong foreign policy, imperial solidarity, a reformed Upper House, cooperation with 'forces of religion', opposition to nationalisation, rigid economy, protection of Southern Unionists, and 'clean and straightforward politics'. For support see Page Croft to Salisbury 12 July 1920, MSP S(4) 93/13, offering the cooperation of the National Party.

¹⁰⁹ W.Ormsby-Gore to Salisbury, 26 August 1920, MSP S(4) 93/82-5.

war).¹¹⁰ After the rough reception of the 1920 Budget, and the difficulties over the Dyer debate, the Right began to be taken more seriously.¹¹¹

Yet the Right already faced a dilemma over 'independence' -- they could not risk breaking with the main Party, thereby following the National Party into political oblivion, but neither could an effective ideological campaign be conducted against the Coalition from within. The idea of a new party was therefore firmly ruled out.¹¹² Although this was politically sensible, it put the Right at a disadvantage in exploiting the Anti-Waste discontent in 1921. Apart from questions of propriety, it was not obvious that overt dissent was attractive to the Conservative rank-and-file; Selborne was particularly sceptical about the Diehards' prospects in the face of the credible Anti-Socialist stance of the Government. He thus warned Salisbury:

This Coalition Government has never been popular with the Unionist Party, but on the other hand the Unionist party is practically unanimous in thinking today there ought to be only two parties in the State, those who are in favour of the Labour Party or Socialists, and those who are opposed to them; and this Coalition implies the willingness to cooperate with Liberals who are ready to oppose Socialists.

By contrast the Diehards had little in substantive proposals which would have appealed to Coalition Liberals, and many on the Right were in fact eager to end all connection with them. As this would leave the Conservatives, fighting independently in a very exposed position, with a revived Liberal Party or expanding Labour Party as the benefactors. Selborne thus deprecated a direct appeal to the constituencies, because it

¹¹⁰ See National Union Conference Report 1920, NUA 2/1/36, 10-11 June 1920; there was an attack on Sir Harry Foster's pro-fusion motion, which called on both parties to unite to fight Socialism, to which was added the condition, "Always provided that the organisation of the Unionist Party in each constituency should be kept at full efficiency."

¹¹¹ See the remarks of Sanders, *Real Old Tory Politics*, 18 July 1920, p.141: "There is no doubt that Conservatives are getting very sore. E.P.D, Dyer, Home Rule, and dealing with Bolshevism have annoyed them."

¹¹² See for example Duke of Northumberland to Strachey, 1 October 1920, MSP S/11/5/17, deprecating the latter's idea of a breakaway party; "it seems to me that we should merely encounter the fate of the National Party. I think that any such attempt must fail unless it can capture the Party machine."

would meet "with lamentable failure and evoke a very small response, (creating) a division, which could advantage nobody except the Labour Party, and I think our influence with the Party would be destroyed."¹¹³

Selborne had identified one of the strengths of Austen Chamberlain's political strategy, which aimed to draw Conservatives away from traditional 'Tory' issues such as Ireland and the Lords, and to replace them with broadly based Anti-Socialist loyalties facilitating the incorporation of the Coalition Liberals. Chamberlain, and those of like opinion, tried to square the circle by committing the Unionists both to modest social reformism and to a tax-cutting, free enterprise economic policy (limiting reference to Tariff Reform). As he told a correspondent in early 1922:

I think it possible that the Unionist or Conservative Party standing alone might win a majority, but I am not certain that the Party would unanimously approve of such a decision...On the other hand it is surely indisputable that if we did so stand as a purely Conservative or Unionist Party it must lead to a great division in the country among the forces which might be rallied for a wise, moderate progressive Government. I cannot view the possibility with equanimity.¹¹⁴

Chamberlain stood by this view throughout his period as Unionist leader, and continued to defend it after the Coalition had fallen. With the example of the Liberal Unionists specifically in mind, Chamberlain did not believe that the electoral arithmetic in a mass electorate could possibly favour the Conservatives fighting on their own. He considered that the Coalition had brought electoral opportunities for Conservatives in areas which had traditionally been unfavourable -- such as Scotland and the North of England.¹¹⁵ He thus rejected the Diehard analysis of the political

¹¹³ Selborne to Salisbury, 13 July 1921, Selborne Papers Box 7, ff.103-5, (Copy). Salisbury had made a strongly anti-Coalition speech in the aftermath of the Hertford by-election, where he had conspicuously failed to support the Coalition's Candidate, see *Morning Post*, 20 June 1921, p.5.

¹¹⁴ Chamberlain to Earl Fitzwilliam, 12 January 1922, ACP 32/2/38, (Copy).

¹¹⁵ In the case of Scotland, the evidence seems to vindicate Chamberlain, see I.G.C.Hutchison, *A Political History of Scotland 1832-1924*, (Edinburgh 1986), pp.311-28; in 1910 the Unionists had 9 seats to the Liberals' 58 in Scotland, but in 1924 the Unionists had risen to 36 to the Liberals' 8 seats.

situation, and appeared at times to be prepared to ditch the more reactionary Conservatives in order to hold out an olive branch to the Liberals. A politician like Baldwin whose was alive to Tory sensitivities could ensure some sort of compromise to this problem, but the Diehards were probably correct to fear the continued leadership of Chamberlain as inimical to many of the issues on which they and many of the grass roots felt so strongly. Furthermore given Chamberlain's dislike of an over-rapid move to Fusion, his strategy of accommodation left many questions about Conservative organisation unanswered. His insistence on the inevitability of a two-party system in the future could paradoxically have encouraged the success of Labour; as one of his critics, Lord Robert Cecil pointed out:

I am very much afraid that if it becomes inevitable to repeat constantly to the country that the only alternative to Lloyd George is Labour, sooner or later the country will say that in that case they will try Labour, and I don't know that I should blame them.¹¹⁶

The failure of the Diehards to persuade the National Union Conference in November 1921 to pass a motion censuring the Government over its negotiations with the Irish rebels suggested that the desire for 'independence' was muted. Although there was less willingness to break with the Coalition than some right-wingers believed, any advantage was lost with the disastrous 'Election Kite' episode of December 1921-January 1922, which succeeded in alienating senior Party officials like Younger from the Coalition leadership. This gave new encouragement to the Diehards who began a new offensive against the Coalition.¹¹⁷ This culminated in a meeting

Only six Scottish Unionists voted against Chamberlain at the Carlton Club, whilst seventeen supported him. The only setback the Unionists suffered was in 1923, when their Protection policy was rejected by the Scottish electorate, but in 1924 Unionists and Liberals cooperated in anti-Labour pacts, with Unionists asked to vote Liberal in ten seats.

¹¹⁶ Cecil to Chamberlain, 27 April 1921, ACP 24/3/17.

¹¹⁷ For Diehard reaction to the 'Election Kite' see Midleton to Salisbury, 28 December 1921, MSP S(4) 99/187; Gwynne to Northumberland, 5 January 1922, Gwynne Papers dep.17, (Copy). Rothermere also intervened publishing an advertisement in the *Times*, 7 January 1922, p.6, "The Need

with Chamberlain in February, when the Diehards were told that the next election would involve the Coalition Parties fighting independently, with separate manifestoes, though he gave no assurances on a post-Election settlement.¹¹⁸ His public statements after the meeting suggested that his opinion about the Coalition had not significantly altered.¹¹⁹ The Diehards responded by issuing a manifesto outlining the main 'Conservative' principles.¹²⁰ They also decided to risk a no-confidence motion against the Government.¹²¹ This proved to be a miscalculation, with the Coalitionists exposing the political weaknesses of the Diehard position, and ensuring the motion was easily defeated (by 288 to 95 -- the Asquithians and Labour voted with the Diehards, thereby demonstrating the folly of this tactic.) The Diehards were attacked for being out of touch with political reality, and ignorant of the problems of Conservative MPs who sat for industrial constituencies.¹²² It was in this context that the Coalitionists emphasised the priority of Anti-Socialism over independent Conservatism. G.B.Hurst claimed that:

(T)he great danger now is Socialism and Bolshevism. ..In order to be

for a Real Conservative Party" advocating Gretton as leader for the rebels. Sanders noted that the Diehards were winning support amongst the middle classes, *Real Old Tory Politics*, 8 Feb. 1922, pp.172-3.

¹¹⁸ For an account of the meeting see Petrie, *Austen Chamberlain*, pp.173-4. 31 Diehard MPs attended. For Chamberlain's fears at an Independent Conservative secession, see Chamberlain to Lloyd George (Copy) 12 January 1922, ACP 32/2/26 and R.Sanders to Chamberlain, 2 January 1922, ACP 32/2/16.

¹¹⁹ Petrie, *Austen Chamberlain*. p.179 for his speech at Oxford, March 3 1922 defending alliance with the Liberals.

¹²⁰ *Times* 8 March 1922, p.14, a copy of the *Statement of Conservative Principles* is in the Gwynne Papers, dep.17.

¹²¹ See 152 *HC*. 5s. cols.2344 ff. 5 April 1922. The motion, proposed by Joynson-Hicks and seconded by Ronald MacNeill, read "That in the opinion of this House, the lack of definite and coherent principle in the policy of the present Coalition can only be remedied by the establishment of a Ministry composed of men united in political principle."

¹²² See for example the comments of G.B.Hurst (Manchester, Moss Side) who noted "Members who are mainly associated with the Diehards (*sic*) movement represent rural and seaside constituencies like Eastbourne and Canterbury" cols.2358-9.

wholeheartedly united in view of this great danger is it idle to talk about cooperation? After all, there are good Liberals, bad Liberals and indifferent...but if these Liberals and Labour men too, are willing to work within the laws of their country in the common good, to put down the great disaster which Communism would undoubtedly involve, surely it is worthwhile to cooperate.¹²³

The Diehards countered by condemning the Government's to fight Socialism with semi-socialist legislation; Wolmer retorted "neither Bolshevism nor Socialism can be fought in this country except by politicians stating what they really do believe, and submitting the issue to the country. You cannot defeat Bolshevism and Socialism by a whole series of make-believe."¹²⁴ However by the Spring of 1922 few could have feared the 'collectivist' propensities of the Government; none of the issues which contributed to the downfall of the Coalition, the assassination of Wilson, the Honours scandal and foreign policy, had anything to do with social and economic policy. With this in mind the Diehards concentrated their attention increasingly on the humdrum matter of organisation, rather than anguish over threatened principles. Gretton, who may have been responsible for the ill-judged no confidence motion, and was in any case generally seen as an extremist was gradually displaced by the more acceptable figure of Lord Salisbury. Salisbury had a wider influence within the Conservative Party, and had always stated a willingness to work with right-wing Liberals.¹²⁵ In line with this aim, Diehard statements on social and economic policy continued to be extremely conservative, emphasising reduction of taxation, 'economy' and usually imperial preference.¹²⁶ The Diehards were however

¹²³ *Ibid.* cols.2361-2.

¹²⁴ *Ibid.* col.2378.

¹²⁵ However Gwynne tried to persuade Salisbury to alter the name of the Independent Conservatives so as not to deter potential Liberal recruits; see Gwynne to Salisbury, Gwynne Papers, dep.8, 4 July 1922: He suggested the alternatives of 'Constitutional party', 'Centre Conservative Party' or 'Commonwealth Party'.

¹²⁶ See for example Wolmer's memo on 'constructive' policy, Third Earl Selborne Papers, Ms.Eng.Hist.c.1012, ff.15-19. (not dated but probably July-August 1922). Imperial preference appears to have been a bone of contention within the Diehard camp, Salisbury's Free Trade predilections brought him

most threatening in persuading constituencies to run independent Conservatives or to withhold support from candidates who refused to give assurances that they would not support another Coalition arrangement.¹²⁷ By September the anti-Coalition agitation was passing into the hands of moderate Conservatives, following the 'revolt' of the Under-Secretaries in August. The background to the collapse of the Coalition is of course well known,¹²⁸ and it is sufficient to say that the downfall of Conservative Coalitionism at the Carlton Club meeting reflected a discontent which extended far beyond the Diehards, and was, as a consequence, not primarily ideological in nature.

Some general conclusions about the nature of right-wing revolt between 1919-22 can be drawn. It has been shown that the social and economic critique of the Coalition made by 'traditionalist' Tories and the newly politicised sections of the middle class were remarkably similar. Both were agreed on the need to combat the threat of Labour, partly by confronting it directly in the industrial sphere, and more importantly by bolstering the position of the 'constitutional' classes by restoring a sense of purpose, coherence and respectability into the manner of government. This meant discarding the 'presidential' style of Lloyd George and replacing it with a more traditional sense of the collective responsibility of the Cabinet. Once this situation was restored, the Government would have the moral authority to challenge Organised Labour in a general strike situation, and to some extent this proved to be the case in 1926.

It was in this restoration of the integrity of 'constitutionalist' party

into conflict with tariff reformers close to Gretton. See Hewins (not a Diehard), *Apologia of an Imperialist*, vol.2, p.258, for this charge.

¹²⁷ Salisbury had sent a circular to constituency chairmen in March 1922 on these lines, MSP S(4) 100/145-8, March 1922.

¹²⁸ See Kinnear, *Fall of Lloyd George*, pp.120-39 and Cowling, *Impact of Labour*, pp.184-212. For discontinuance of Diehard activity after 1922 election, see Gwynne to Reginald Hall, 28 December 1922, GP dep.8, (Copy).

government that the Diehards made their most significant contribution to inter-war Conservatism. With the differences between the Coalitionists and dissidents on economic and social policy narrowing from the middle of 1921, the substantive role of 'Anti-Socialism' declined, on the other hand the issues promoted by the Diehards lacked the popular support of the earlier Anti-Waste agitation. The real impact of the right-wing revolt was to scupper the Chamberlainite plan for an Anti-Socialist Centrist bloc, in which the ex-Coalition Liberals would retain a substantial say over policy. Instead a revived Conservative party, although not dominated by the Diehards, would give them considerable influence in subverting any attempt to challenge Labour by restoring the economic and political experiments of the immediate post-war years. However in terms of doctrine and policy it is likely that there would have been little divergence between a Baldwinite and Chamberlainite Conservative Party in the 1920s; both were aware of the need to appeal to 'middle opinion'. The problem was largely one of style, whether Chamberlain's concept of a large Anti-Socialist bloc possessed sufficient political coherence to negate factionalism, on the other hand the success of a more self-conscious 'Conservatism', in the hands of both the Baldwinites and Diehards, which Liberals would support on Conservative terms, was successful in no small part because of the vagaries of the electoral system. But in a sense Anti-Socialism was no longer either a political or an ideological problem for the Right.

Conclusion.

By the late 1920s the Conservative Party had firmly established itself as *the* Anti-Socialist Party. As political loyalties were increasingly perceived as greatly dependent on attitudes to this question, this was a significant achievement. The right-wing critics of the Coalition era had therefore achieved their main aim -- to maintain Anti-Socialist policies within a Conservative political framework. The economic policies pursued by Conservative administrations up to 1929 fully complemented this aspiration to incorporate the anti-Socialist middle classes. This ideological and political hegemony was not inevitable; it was certainly possible to envisage the Liberal Party fighting a more tenacious and reactionary rearguard action to hold its middle class supporters, and to some extent it did up to the mid-1920s.¹ However the Liberals were never prepared to take the high political risk of making a direct appeal to that strand of public opinion which was attracted to the Middle Classes Union and the Anti-Waste League. But the events of 1918-22 should have demonstrated that there was no plausible means of taking up the anti-Socialist banner, without indulging in the language, if not the practice, of class conflict. In the final analysis the Conservatives, dissidents and loyalists, were always going to make more credible attacks on Socialism and Organised Labour than the Liberals. At the same time, the successful exploitation of 'Anti-Socialism' by the Conservatives probably hastened Labour's emergence as the dominant anti-Conservative party, trading on the fears of the working classes that such a platform contained a reactionary hidden agenda. Either way, it appeared that the Liberals could not find a suitable rhetoric to transcend this ideological cleavage; at least not without a period of damaging domestic

¹ See Michael Bentley "The Liberal Response to Socialism 1918-29" in Brown, *Essays in Anti-Labour History*, esp.pp.50-3.

economic strife.

However the Conservative capture of middle class Liberalism was unstable until the formation of the National government in 1931; in 1923, Conservative attempts to break out of a purely 'negative' strategy by advocating tariff reform led to electoral failure, with the Liberals regaining support in traditional areas, and in 1929 economic discontent led to the same outcome. Clearly the 'negative' basis of inter-war Anti-Socialism depended on certain preconditions; one of which was a perceived level of economic confidence, and the other condition being a conviction that the defence of the middle classes did not have the corollary of class confrontation. The importance of the middle classes in inter-war Conservatism was stressed in Chapter Six because they appeared to be a critical component in Conservative electoral success, and because the Conservatives responded by pursuing policies generally favourable to their interests.

But political hegemony under the post-1918 electoral system was even more dependent on a considerable degree of working-class support than in the pre-war system. Thus McKibbin has traced the Conservatives' inter-war ascendancy not only to their ability to capture nearly all of the middle-class electorate, but also significant proportions of the working class vote as well.² Some of this success was due no doubt to the leadership's avoidance of reactionary class rhetoric, but it must also be remembered that anti-Socialist rhetoric was not projected as anti-working class; indeed this equation was made only at times of extreme industrial militancy. Conservatives were constantly aware of the need to draw off disaffected

² McKibbin, "Class and Conventional Wisdom" pp.287-88, arguing that the Conservatives probably had a majority of working class 'preferred vote' (straight choice between two biggest parties, Conservatives and Labour) in the 1920s, and a majority of the actual vote in the 1930s.

workers from a militant leadership, or appealing to the natural caution of their wives, who bore the brunt of the privations of the strike. Of course there were limits to anti-Bolshevism in industry, and as the Conservatives were committed to economic policies which could not greatly reduce unemployment in the short term, this appeal was always fragile.

Conservative success in the sphere of anti-Socialist rhetoric, in its ability to entrench stereotypical 'Socialist' and 'Anti-Socialist' arguments and allegiances pointed to a degeneration in the debate over 'Socialism.' It would be fair to say that criticism of Socialism in the 1920s made comparatively few new departures. 'Bolshevism' appeared to demand a new type of critique, but in fact it only confirmed, in a more militant form, the anti-Utopian arguments deployed against Socialism in the pre-war period. Syndicalism and Guild Socialism appeared to be too short-lived to exercise any particularly original thoughts from their Conservative critics. There was thus a tendency for anti-Socialists to rest content with claiming that any major step in a Socialist direction in Britain would merely mimic the Bolshevik experience of anarchy and tyranny, and more plausibly, that in the difficult conditions of international trade of the post-war period, Socialism would merely exacerbate the declining competitiveness of the British economy. With arguments about the inadequacy of Socialist management, of the inefficiency of nationalisation and the insecurity of capital, it was a vulgar, 'economistic' critique of Socialism which predominated in the 1920s.

A revival of interest in Socialism as both an ethical and economic theory was not forthcoming until the debates over the possibility of socialist economic planning in the 1930s, and more influentially in the emergence of an anti-totalitarian critique of Socialism with the advent of the Cold War. Both approaches mirrored the earlier debates in being developed initially by

academic and non-Conservative thinkers (many indeed were non-British), and then being exploited by Conservative politicians for particular strategic ends; as a result "Anti-Socialism" developed secondary vocabularies of 'anti-communism' and 'anti-planning.' As before these arguments were accompanied by a shadowy belief in 'free market economics' but 'neoliberalism' was no more the core doctrine of this version of Anti-Socialism than 'Individualism' had been of the late-Victorian predecessor. Yet although it would be fanciful to trace any direct line of continuity between the critiques of Socialism examined in this thesis and the works of those like Hayek, Popper and Oakeshott in the nineteen forties, some similarities in their common anti-Utopianism are evident, though it must be admitted that the later works argue their case with greater sophistication.³

It would be an exaggeration however to say that these similarities pointed to an intellectual or even an ideological tradition; on a more mundane level of ideological production, the concerns of the non-official Right had been redirected from the late 1920s and 1930s. Given the consensus of hostility to Socialism, right-wing dissidents were increasingly drawn to anti-*liberal* doctrines, whether of an outwardly fascist kind or a less extreme cultural conservatism. They were worried about a different set of problems than those identified by an earlier generation of Anti-Socialists - racial degeneration, imperial decline, fear of mass society, commercialism and were sympathetic to 'pre-modern' elites in contrast to the Anti-Socialists' idealisation of the entrepreneur. All these ideas were transmitted in a mood of *kulturpessimismus*. Some of the extreme Right's doctrines were of pre-1914 vintage, but they did not claim patrimony from pre-war Anti-Socialism, which for all its warnings of revolutionary anarchy, had believed

³ See for example F.A.Hayek, *The Road to Serfdom*, (1944), Karl Popper, *The Open Society and its Enemies*, 2 vols. (1947), Michael Oakeshott, "Rationalism in Politics" (1947) in *Rationalism in Politics and other Essays*, (1962).

that the basis of existing (free market capitalism) society was sound. Anti-Socialism had implicitly defended a version of an open society which would prove too complacent for the extreme Right of the 1930s; they in turn defended views -- of anti-parliamentarianism and a *dirigiste* economy, which were incompatible with received interpretations of Anti-Socialism.⁴ Anti-Socialism could not in these circumstances continue to operate as the ideological salve for right-wing division.

However it can be argued that the critique of Socialism worked out between the 1880s and 1914 did provide certain imperatives of argument for Conservatives. Critics of Socialism not only provided substantive rebuttals of Socialist claims for politicians in their dealings with the wider public, they also provided the rhetorical forms to convey them which would be most compatible with Conservative traditions. This was not a conscious process but part of the very identity of conservative *argument* -- its anti-utopianism, dismissal of 'constructivist' reformism, its preference for gradualism. These arguments could be located in British Conservatism at any period in the past two hundred years -- they reveal what Conservatives find objectionable in all types of radical argument. However this thesis has also tried to show how conservatism underwent ideological change in the face of a new challenge. The necessity of combating Socialism saw Conservatism emphasise particular claims about human nature and the structure of society to meet its task -- in particular many of the doctrines associated with what is known (and hopefully the thesis has shown, is erroneously known) as 'traditional' liberalism. It is not easy to make a definitive demonstration of this, not least because other conflicting conservative discourses did exist. However it is possible to comprehend where the debate on Socialism had 'got to' by the 1920s. In 1923 the House

⁴ Cf. Webber, *Ideology of the British Right 1918-1939*, *passim*.

of Commons debated the unusually abstract motion of whether the capitalist system had failed, and if socialism was its appropriate replacement.⁵ Although the debate served no substantive purpose, and was notable for the lack of the originality of the contributions from both sides,⁶ it is valuable to the historian for these reasons, giving a relatively undistorted view of what politicians thought about 'Socialism' outside of the day-to-day requirements of party strategy.

The first thing that strikes the present-day observer is how the question had been largely reduced to one of the comparative advantages of different economic systems. This is not to say that 'ethical' questions were ignored, but both Labour and anti-Labour speakers saw this aspect as the most effective means of communication. Philip Snowden's opening speech in favour of the motion defended the evolutionary socialism common both to the ILP and the Fabians, which rested on the belief that nationalisation was the most efficient means of organising the economy. His critics responded by deploying the main anti-statist and pro-entrepreneurial arguments against this Socialism. Sir Alfred Mond gave a particularly succinct review of the Anti-Socialist credo.⁷ He praised the Labour speakers for dropping the pretence that they were not Socialists, allowing the fundamental question of politics to be tackled:

It is a clean issue between Individualism and Socialism, a clean issue of

⁵ See *Parl Debs*, 161, 20 March 1923 cols.2472-2512 and 166, 16 July 1923, cols.1897-2015. Snowden's motion read "That in view of the failure of the capitalist system to adequately utilise and organise natural resources and productive power....this House declares that legislative effort should be directed to the gradual supersession of the capitalist system by an industrial and social order based on the public ownership and democratic control of the instruments of production and distribution."

⁶ Dan Irving complained with some justification: "All the things said against (Socialism) in this House are things which are within my memory as having been uttered against Socialism for over forty years." *Ibid.* 16 July 1923, col.1930.

⁷ *Ibid.* cols.2490-2506. Mond was still a Liberal at this time, joining the Conservatives in 1926.

private ownership against national ownership, a clean issue as to the right of the individual to the reward of his labour and his enterprise.⁸

Mond significantly sought to emphasize the necessity of entrepreneurship and management in his indictment of socialism; he claimed that the Labour understanding of the capitalist as a monopolist and rentier was outdated: "What exists in our modern industrial system is the captain of industry, the man of enterprise and brains. He hires labour and he hires capital...He is the man who creates."⁹ Mond's arguments against the possibility of efficient state management were of a pre-war vintage, and most of his phrases could have been taken straight from Mallock. It was this defence of enterprise which prevailed in Anti-Socialist rhetoric, connected with an uncontentious, anti-bureaucratic libertarianism.¹⁰ Mond strongly rejected claims that 'trustification' was removing the need for the entrepreneur by stressing the instability and inefficiency of the trusts. Practically all the anti-Socialist speakers emphasised Britain's need for competitiveness in the post-war international economy, and they suggested Socialism could only avoid this struggle by becoming autarkic.¹¹ It was also suggested that the diffusion of capital amongst the workforce (actual and projected) was the remedy to Socialist agitation; as Amery claimed:

Capital itself has changed. It is in the hands of millions of people...in every walk of life. The great cooperative societies, friendly societies and trade unions are all forms of capital...Is there any reason why that process of evolution should not continue?¹²

The view of Socialism in the eyes of its opponents had resolved itself into

⁸ *Ibid.* col.2505; Mond put an amendment to the motion: "this House, believing that the abolition of private interest in the means of production and distribution would impoverish the people and aggravate existing evils, is unalterably opposed to any scheme of legislation which would deprive the State of the benefits of individual initiative..." col.2490.

⁹ *Ibid.* col.2493.

¹⁰ For example, Lloyd Greame (Pres. of Board of Trade), 20 March 1923, cols.2507-9; Harold Briggs (Conservative), 16 July 1923, cols.1955-56; James Gould, (Conservative) cols. 1973-76; Leo Amery, cols.1991-1999.

¹¹ Mond, *ibid.*, cols.2498-99.

¹² *ibid.* col.2000.

one of economic organisation and the economic psychology underlying it; they recognised that the challenge was not a revolutionary one, but one of 'false economics' which was reducible to a number of convenient doctrines. Opposition to state ownership and a parallel conviction in the 'freedom' and 'enterprise' of the capitalist system that had survived the disappointments of the post-war years. The 'common-sense' critique of Socialism revealed the difficulties of a Labour Party armed "with a socialist objective but no socialist ideology."¹³ This left Labour vulnerable to the precisely the sort of ritualised Anti-Socialism thrown at it by the Conservatives; but the Commons debate on "Capitalism *versus* Socialism" had revealed how ossified were the views of Socialism held by Labour parliamentarians.

The arguments deployed against Socialism showed the extent to which the Conservative party had become the party of the manager and of the taxpayer. This was a significant change, and it is one which forms a line of continuity to the present day. Even so it was not clear that this identity could sustain them through the vicissitudes of the Depression. By the late 1920s therefore it appeared that the Anti-Socialist paradigm had lost much of its ideological and rhetorical force, because it was faced with a new set of problems on which it could say little. The Depression did not in itself revitalise Socialism as an ideology, but it did erode much of the entrenched opinion behind the ideological construct of Anti-Socialism, which had constructed many of its arguments within the paradigm of the pre-1914 free market system. The Depression however indirectly increased the plausibility of interventionist policies, all the way from public works and protection through to nascent forms of 'economic planning.' As these policies were frequently advocated by non-Socialists, including Conservatives, much of the force of earlier criticisms of Socialism as synonymous with wasteful

¹³ Ross McKibbin, *The Evolution of the Labour Party 1910-24*, (Oxford 1974), p.245.

state interventionism was lost. Of course as a 'negative' ideology, Anti-Socialism could change its doctrinal form with greater ease than an ideology 'positively' committed to the free market. Nevertheless the 1930s saw the moderate Anti-Socialist Conservatism with less ideological purchase than at any previous time.¹⁴

Even so Anti-Socialism as a political platform facilitated the evolution of the Conservative party into the 'Party of Property', both great and small. It is perhaps fitting therefore that the catchphrases of a later anti-Socialism should have their origin in a much earlier attempt to think of attractive ways of subverting the Socialist promise to the ordinary man. In 1924, Noel Skelton, a young Conservative on the left of the Party, contended:

(T)he distribution of private property is the measure, on its economic side, of a civilisation's stability and success...Unless...by such means as profit-sharing and industrial co-partnery (*sic*), and the wider distribution of the small ownership of land, the Unionist Party can make property-owners of the present wage-earning class, no hope can be given to the mass of the people that their economic status can be brought abreast of their political and educational status. It will perhaps be a slow process; but great parties must take a long view.

He therefore urged the Conservatives to take up the cause of the "property-owning democracy," making the diffusion of ownership their main anti-Labour platform.¹⁵ With this felicitous phrase, Skelton summed up the doctrinal changes of the previous forty years, and projected the course of Conservative strategy in a polity where 'Socialism' would remain a central issue.

¹⁴ Thus some historians have seen the 'crisis' of 1931 encouraging a more *dirigiste* Conservatism; see, for example, Philip Williamson, *National Crisis and National Government*, (Camb.1992), pp.478-9, 529-30; he notes the difficulty Conservatives had in exploiting the retrenchment issue in 1931 in the face of a much deeper economic crisis than 1919-21, *ibid.*, pp.519-20.

¹⁵ Noel Skelton, "Private Property: the Unionist Ideal" *Spectator* 3 May 1924, p.703.

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Articles

The following abbreviations have been used for important periodical titles:

- CR** *Contemporary Review*
- ER** *Edinburgh Review*
- FR** *Fortnightly Review*
- NR** *National Review*
- NC** *Nineteenth Century*
- QR** *Quarterly Review*
- WR** *Westminster Review*

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