

b. Economic Theory and Reality

The Prevailing Outlook

Towards the end of the Victorian era, state intervention on an increasing scale was being accepted by all parties, sometimes by those unwitting what they were doing. But laissez-faire theories still held the field against this divergence in practice. Piety encouraged the belief that people were in the place in which it had pleased God to set them and should set their minds on things which were above, not on changing their condition.

The automatic adjustment of the market in terms of supply and demand still held good for theory, whilst it was being questioned empirically. As we have noted, Malthus's thesis about the growth of population was taken to mean that there would always be a sub-stratum of poverty and squalor. Political economists of the old school showed a bland complacency about human misery, which they believed belonged to the order of nature, and was irremediable. The following two quotations from answers in the House by members of the Government reveal the attitude they adopted. The first was in reply to an excellent speech made by Cunninghame Graham on the advantage of the shorter working day.

"No doubt there were still many persons unemployed and he feared there always must be.....The fact must be faced that, even in the most prosperous times, there must be large numbers of persons unemployed."

Mr Ritchie, on March 7th, 1889, Hansard.

The second was regarding starvation in East London and plea that work should be provided for the workless:

"I am not aware of any measures which any Government could take which would prevent such a sad and sorrowful occurrence."

Mr W H Smith, on April 15th, 1890, Hansard

I think it is not too much to say that Cunninghame Graham was an outstanding figure among those who promoted the transference of idea of society's obligation to the under-privileged, from that of the relief of pauperism (the duty to see that sufficient crumbs are provided from the economic table just to prevent starvation), to the protection of the workman in his job and health and status as one who co-operates with the employer and the state in gaining the end, the well-being of society.

His unremitting distaste for current political economy comes from the sheer want of charity and common sense in its deterministic outlook.

"We all know, that is, those of us who have read the political economists, that if the poor perish it is very sad but it can't be helped.....every plate of turtle soup a rich man eats keeps some poor man from starving....."

Article "Utopia" in "The People's Press," October 11th, 1890.

With Sir Thomas More he sees life as ".....a certain conspiracie of riche menne, seeking their own commodities, under the name and title of the common wealth."¹

¹ Article "Utopia" in "The People's Press", October 11th 1890.

Present economic theories prevail because it suits the rich to hold them. Commerce, competition, capital, the Stock Exchange, Joint Stock Companies, are all words of disgust to him - they are means of putting "a rascal's ring round the globe"¹. Where brutish self-interest prevails, theory aids and abets.

The job to be undertaken is once again one of necessary iconoclasm. He has to demolish any idea in human minds that laws like the law of 5% are ordained by God. At a Miners' Demonstration at Musselburgh held during his parliamentary career, a report of which is preserved in the Scrap Book, he says

"Day by day the working classes, owing to the pressure of laws facetiously called economic and divine, were sinking into a worse condition..... Was there anything divine in the law which allowed one man to create a royalty or a robbery on the minerals he did not create or in the system that allowed one man to build up a colossal fortune by rendering half of his fellow countrymen little better than slaves? For himself, he saw nothing but pure devil's work in that".

In this speech at a Farmers' Dinner at Balfron², made some thirty-five to forty years after this, he still maintains firmly that economic laws were made by man and were there to be changed when change was needed³.

¹ "Thirteen Stories", p.212.

² Preserved in another Scrap Book.

³ In a letter to "The Speaker", on 11th October, 1890, he rejoiced that "the dogmas of the so-called science of political economy" had lost weight with workmen.