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## CHAPTER 2

### GOVERNMENT IN NINETEENTH CENTURY GREAT BRITAIN

AS THE nineteenth century drew to a close, governments in Great Britain were still small by modern standards. In 1890, only some 3.5 per cent of the labor force consisted of public employees, and the period of rapid expansion in the size of governments was only then opening. Nevertheless, 1890 does not represent the beginning of the great changes which, in the next sixty years, would produce a multifold increase in the share of the labor force used by government. Although our meager evidence suggests that, compared with later developments, no great changes occurred in the 1800's in the size of governments relative to other branches of the economy, significant alterations were made in their structure and functions, alterations which prepared the way for later expansion and which help explain the pace and direction of twentieth century growth.

In the course of the nineteenth century, the British economy assumed its present industrialized and urbanized appearance. By 1890, agriculture and forestry occupied hardly more than 10 per cent of the work force. Some 62 per cent of the people of England and Wales lived in urban areas with a population over 10,000; 40 per cent in areas with a population over 50,000. The mercantilist legislation of earlier centuries had been repealed, but the British people had begun to assign new functions to their governments in order to cope with the problems generated by machine production, capitalist economic organization, and urban life.

"Cobden would hardly recognize the world," wrote the *London Economist* in 1894 in a much-quoted article entitled "The Advance towards State Socialism."<sup>1</sup> Governments had, indeed, begun to multiply their activities and to revise their structure in ways which facilitated later development.

#### *The Adaptation of Government to Industrialization*

The response of government to the gradual emergence of industrial capitalism may be traced well back into the eighteenth

<sup>1</sup> Cited in J. H. Clapham, *An Economic History of Modern Britain*, London, Cambridge University Press, 1938, Vol. III, p. 397.

century. So far as this response affected the size of government, its first manifestations were local. The growing urban centers lacked the most elementary facilities to meet their needs for water, drainage, streets, police and fire protection, and certain health measures. These urgent requirements of individual localities were met at first by private bill legislation in Parliament, which usually set up Improvement Commissioners empowered to perform specified duties in newly established Improvement Districts. A very large number of such agencies were established in the latter half of the eighteenth century and the first part of the nineteenth.<sup>2</sup>

The use of *ad hoc* arrangements reflected the pressing needs created by the new conditions, the incapacity of the corrupt and oligarchic municipal corporations, and the equal incapacity of the parish vestries and county justices who constituted such local authority as then existed in rural areas and in newly grown but still unincorporated urban areas. Parliamentary private bills and a multitude of *ad hoc* local authorities were, however, no substitute for a logical structure of local government sufficiently vigorous and powerful to meet local needs and to act as an efficient local agent of the central government.<sup>3</sup>

<sup>2</sup> See Joseph Redlich and F. W. Hirst, *Local Government in England*, London, Macmillan, 1903, Vol. I, p. 131. "Of 708 local Acts which the Municipal Commissioners of 1834 found at work in the boroughs, 400 were passed under George III, 154 under George IV, and 26 under William IV" (*ibid.*, p. 131).

<sup>3</sup> As to the corruption and inefficiency of the local governments of the time, in 1835 the Royal Commission on Municipal Corporations wrote:

"In conclusion, we report to your Majesty that there prevails amongst the inhabitants of a great majority of the incorporated towns a general and, in our opinion, a just dissatisfaction with their municipal institutions, a distrust of the self-elected municipal councils, whose powers are subject to no popular control, and whose acts and proceedings, being secret, are unchecked by the influence of public opinion; a distrust of the municipal magistracy, tainting with suspicion the local administration of justice, and often accompanied with contempt of the persons by whom the law is administered; a discontent under the burthens of local taxation, while revenues that ought to be applied for the public advantage are diverted from their legitimate use and are sometimes wastefully bestowed for the benefit of individuals, sometimes squandered for purposes injurious to the character and morals of the people. We therefore feel it to be our duty to represent to your Majesty that the existing municipal corporations of England and Wales neither possess nor deserve the confidence or respect of your Majesty's subjects, and that a thorough reform must be effected before they can become, what we humbly submit to your Majesty they ought to be, useful

The reforming acts of the 1830's began to meet these needs. The Parliamentary Reform Act of 1832 broadened the franchise and went some distance to adjust the distribution of seats to that of the population. It helped make Parliament a more responsive organ of public opinion, and it also raised the level of local government. For, with the weeding out of rotten boroughs and the extension of the franchise, the opportunity to control Parliamentary seats by corrupting limited local electorates and corporations was reduced and gradually eliminated.

The Poor Law Amendment Act of 1834 combined the minuscule parishes into Poor Law Unions and set Guardians—partly elected, partly appointed—over them. Its emphasis on indoor relief, more rationally organized, was the basis for an uneven, inadequate, but still gradual proliferation of institutions for pauper care—not merely shelters and workhouses, but infirmaries, old age homes, orphanages, and even something like schools. By subjecting the local Guardians to the Central Board of Poor Law Commissioners and its inspectorate, the Act introduced that important device of British government, the local administration of centrally established standards, supervised and inspected by an organ of the national government. For the next fifty years, until the Local Government Acts of 1888 and 1894 set up County Councils and Urban and Rural District Councils, the Poor Law Unions shared with the sanitary authorities an increasing burden of all types of local administration outside the boundaries of the incorporated boroughs.

Finally, the Municipal Corporations Act of 1835 began a fundamental reform of city government. The municipal franchise was extended to the entire body of rate payers, and the municipal council was established as the legal agent of the local community

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and efficient 'instruments of local government' " (Redlich and Hirst, *op. cit.*, p. 116).

As to the creation of *ad hoc* organs in these circumstances, it is stated that "in most municipal boroughs of any size municipal interests are managed, not by the proper municipal authority, but by special *ad hoc* bodies (commissioners, local boards, or trustees) constituted under a local Act for such purposes as lighting, drainage, paving, and cleaning the streets and providing the town or a part of it with water. Even the police were generally placed under the management of these new authorities instead of being entrusted to the corporation. . . .

"The divisions of authority not only produced apathy with respect to municipal improvements but also serious discords and riots" (*ibid.*, pp. 120-121).

at large rather than as the personification of a restricted group of corporators. Although the power of the new councils was at first severely limited and even the powers of the old *ad hoc* local authorities were not transferred to them by general act, such transfer was made permissive and gradually accomplished.<sup>4</sup> And as the new municipal governments proved themselves, their sphere of authority was widened by private bill and general legislation. Henceforth they were also treated as the local agents for instituting and administering such measures as were necessary to meet general standards set by Parliament.

Not only the structure but the personnel of government was strengthened in the course of the century. The establishment of the Poor Law Commission inspectorate introduced the expert into British government. The Trevelyan-Northcote investigations (1848-1853) and their impressive report laid the foundation for the modern British civil service. The National Civil Service Commission was established in 1855 as an examining board, but partisan nomination continued for a time. There followed a series of reforms in individual departments until in 1870 the public competitive examination was made the normal entrance to a civil service career. This was followed by improvements in standards of work and promotion.<sup>5</sup> Similar practices were gradually established in local government.

These improvements in the structure and personnel of government were in part adaptations to the needs of the developing industrial economy and to the new functions which government was assuming to meet those needs, in part prerequisites for the later assumption of still larger functions. Of the great array of governmental functions that were assumed and extended in the course of the nineteenth century, two reforms, those of the police and of the Post Office, were outstanding for their effects on the numbers of government employees. The Metropolitan Police Force was established in 1829 and subjected to the control of the Home Secretary. By an Act of 1835, responsibility for police management in the boroughs outside London was uniformly placed upon statutory watch committees of the Town Councils. Finally, in 1856, every county was compelled to employ a paid

<sup>4</sup> By 1879, only 14 out of 240 municipal boroughs possessed a sanitary authority independent of the Town Council (*ibid.*, p. 132).

<sup>5</sup> Hiram Miller Stout, *Public Service in Great Britain*, University of North Carolina Press, 1938, pp. 23-43.

police force, grants-in-aid being made contingent upon the attainment of a standard of efficiency defined by the Home Office and certified by its police inspectors.<sup>6</sup>

The expansion of the Post Office got its great stimulus in 1840 when Rowland Hill, having calculated that the main cost of the postal service was incurred in taxing letters at their starting point and collecting postage on delivery, persuaded the government to disregard distance and introduce a uniform penny post for the United Kingdom.<sup>7</sup> The Post Office was made to serve the Liberal desire to promote education and the interchange of ideas when the book post was started in 1848 and when cheap rates were extended to newspapers in 1870. And it was to serve the Liberal interest in thrift that Gladstone started the Post Office savings banks in 1861.<sup>8</sup>

The success of uniform penny post helped persuade the government in 1868 to absorb the telegraph system into the Post Office. Private companies had developed the telegraph in Britain, but many localities found themselves without service and, for a time, fees and services varied from district to district. In spite of the prevailing sentiment against state enterprise, the Associated Chambers of Commerce petitioned for government ownership and Parliament was induced to buy out the existing firms.<sup>9</sup>

Other governmental initiatives were less demanding of manpower but highly significant in opening up a broad range of activities and in causing a slow accretion to the size of the state. In 1833 the first Factory Act equipped with an enforcement mechanism was passed. It consisted of four officials, who were the forerunners of a slowly growing national inspectorate. The factory acts were gradually extended to regulate the ages of working children, the hours of work and the occupations of children and women, the education of working children, and the sanitation and safety of factories and work places. Special legislation was applied to the mines and to the merchant marine, and the application of the factory acts was gradually extended from the textile factories to cover nearly all the larger establishments and many of the smaller, the so-called workshops.<sup>10</sup>

<sup>6</sup> Redlich and Hirst, *op. cit.*, p. 171.

<sup>7</sup> C. R. Fay, *Great Britain from Adam Smith to the Present Day*, Longmans, 1932, p. 211.

<sup>8</sup> *Ibid.*, p. 212.

<sup>9</sup> *Ibid.*, p. 213.

<sup>10</sup> B. L. Hutchins and A. Harrison, *A History of Factory Legislation*, London, King, 1911, Chaps. VII, VIII, and XI.

Factory legislation included a great variety of provisions aimed at sanitation and the safeguarding of health in work places. But the dangerously dirty, squalid, and disease-breeding conditions associated with the overcrowding of new urban slums required a more general control of the environment. The regulation of public health started with private bill legislation and the creation of *ad hoc* Improvement Commissioners. But a series of reports by the Poor Law Commission and by the Royal Commission of 1842-1845, and, it should be added, recurrent cholera, paved the way for several tentative general acts and finally for the Public Health Act of 1848. The Act set up a General Board of Health, which, with its inspectorate, was the forerunner of the Local Government Board established in 1871 as well as of the more recently created Ministry of Health. The Act of 1848 centralized control of water supply, sewage, drainage, and cleaning and paving of streets under any Town Councils which chose to come under its provisions and assume the powers of local sanitary authorities. It empowered the General Board of Health to create local health districts and Local Boards of Health, either on the petition of rate payers or where the annual mortality exceeded a specified rate.<sup>11</sup> The local authority was empowered to carry out certain duties, compelled to assume others, and clothed with the requisite financial powers. The strength of the Act was in its provision of a general health code, the partial establishment of local health authorities, and the central regulation of these authorities. Its weaknesses lay in its permissive features. Since neither the adoption of the Act by local governments nor the execution of all its provisions was wholly mandatory, its application was uneven. A generation later these weaknesses were largely overcome in the Public Health Act of 1875. Town Councils and Boards of Guardians everywhere became urban or rural sanitary authorities, their duties were extended, and central supervision with enlarged powers was fixed in the Local Government Board, created in 1871.

The modernization of the police and of poor relief, the regulation of factories and public health, and the extension of the postal service were the most significant developments of government activity in the nineteenth century. There were other areas of lesser importance for the size of government or in which only small beginnings were made. The statistical activities of the

<sup>11</sup> Redlich and Hirst, *op. cit.*, p. 141.

central government were considerably enlarged, and registrars of vital statistics, of friendly societies, and of joint stock companies appeared. A start was made on railway safety and rate regulation. On the other hand, the highways—little used except for local traffic in the railway age—were left to the neglect of the local authorities through whose districts they passed. New municipal building codes, although imperfectly administered, somewhat improved the character of new housing, but left the older slums uncleared for the attention of later decades. Many municipalities organized public operation of utilities. Apart from water supply, whose significance for health made it a common city undertaking, there were numerous municipal gas works, markets, baths, harbors, docks, ferries, and cemeteries. These experiments in "municipal Socialism" were, however, limited. No electric power, electric tramways, or motorbuses yet provided outlets for municipal enterprise. Moreover, municipal trading activities required Parliamentary sanction, and municipalities without the money or the energy to obtain the necessary powers by private bills were still restrained by their limited authority from establishing municipal utility concerns.

One great area of state action still little developed by 1890 was public education. Since 1833 the central government had made grants of increasing size to help support and encourage the voluntary church schools.<sup>12</sup> These were maintained by associations sponsored, on the one side, by partisans of the Established Church, and, on the other, by members of the various dissenting groups. The subsidies were the lever by which central government inspection and an educational code were imposed on the private schools, a development which did much to raise the standards of primary education. By 1858, when the Newcastle Commission began its work, nearly three times as many pupils, in proportion to the population, were attending school as in 1833.<sup>13</sup> Still, only 19 per cent of the school children were over

<sup>12</sup> The early grants were miserly. "Not long after Queen Victoria came to the throne Prussia was spending £600,000 annually on public education. England in the same year, as Brougham bitterly said, voted £30,000 for education—and £70,000 for building royal stables. That spirit still lingered up to the late 'sixties . . ." (J. L. Garvin, *The Life of Joseph Chamberlain*, London, Macmillan, 1932, Vol. I, p. 89).

<sup>13</sup> H. C. Barnard, *Short History of English Education from 1760 to 1944*, London, University of London Press, 1947, pp. 126-127.



eleven, attendance was voluntary, brief,<sup>14</sup> and subject to fee, and the education given was judged inadequate even by the standards of that day. The nearly universal antipathy to a purely secular education combined with the rivalry of the various religious groups to delay a comprehensive state scheme.

The matter was brought to a head by the reform bill of 1867, which gave the urban householder a vote and marked the beginnings of a democratic franchise. "We must at least persuade our future masters to learn their letters" was an influential Parliamentary reaction.<sup>15</sup> The National Education League, started and led by Joseph Chamberlain, mobilized the Non-conformist sentiment of the country.<sup>16</sup> The fundamental step was finally taken in the Education Act of 1870. Boroughs and parishes became school districts. The Education Department, created by the government in 1856, was enjoined to set up elected school boards as *ad hoc* local education authorities in all districts where existing accommodations were deficient. The boards were empowered to establish and maintain public elementary schools as charges on the local rates, aided by government grants and school fees.<sup>17</sup> School attendance was still not made compulsory—that step, for children between five and ten, was taken nationally only in 1880, but many localities had already gone further. Nor were fees discarded till 1891, although school boards were empowered to remit the fees "in the case of any child when they are of the opinion that the parent of such child is unable from poverty to pay the same." Both church and board (that is, local authority) schools grew rapidly under the provisions of the Act of 1870, and the board schools established a rising standard in equipment and efficiency. So far as it depended on government, however, virtually all the advance was at an elementary level. Secondary education and technical education were largely neglected by the state before 1890.

### *Changes in the Size and Composition of Government Employment*

The net impact of all these developments on the size of gov-

<sup>14</sup> *Ibid.*, pp. 127-128. Over 38 per cent of the pupils of 1858 attended for less than one year.

<sup>15</sup> This was Robert Lowe's well-known statement. He had opposed the reform bill but saw the need for educating the newly enfranchised workers.

<sup>16</sup> Garvin, *op. cit.*, Chaps. VI and VII.

<sup>17</sup> Barnard, *op. cit.*, pp. 135-136.

ernment in Great Britain is not easily measured. The general drift of the data, however, strongly suggests that governments in Britain not only grew over the course of the century, but increased somewhat in proportion to the growing labor force or the rising national income. In consequence, by 1890, when our tables begin, government had already attained a considerable stature.

Somewhat incomplete Census data enable us to follow the development of government employment from 1851. At that time the number of persons classified by the Census as attached to government was 254,000. Over 70 per cent of the total were in the armed forces, 17 per cent were civilian employees of the central government, and only 12 per cent were local government workers. By 1891, this incomplete total had grown to 412,000. The defense forces grew more slowly than the total and were now only 61 per cent of the whole. Civilians in the national government were 22 per cent and local government employees 17 per cent of the total. According to these figures, governments used 2.4 per cent of the labor force in 1851 and 2.8 per cent in 1891. But the categories of government workers which are missed by the Censuses of that era (for example, teachers and public utility employees) increased very swiftly in these decades, so that the relative growth of government, particularly of local government, was probably more rapid than these figures indicate. Our revision of the Census figures for 1891 suggests that government's share in the labor force was about 3.6 per cent in that year,<sup>18</sup> compared with the 2.8 per cent derived from the unrevised data. We doubt that a similar revision for 1851 would require so large an increase in government's share.<sup>19</sup>

<sup>18</sup> See below, note 21.

<sup>19</sup> Expenditure data confirm the substantial growth of government in the nineteenth century. Sidney Buxton's compilations of central government spending start in 1791, when total gross expenditures were about £ 18 million. By 1886, when his figures end, they were £ 94 million, a fivefold increase. They were almost the same in 1890, according to Bernard Mallet. Compilations of aggregate local expenditures are available only since 1867, when some £ 32 million was spent, net of the contributions of the central government. By 1891 this sum had nearly doubled; it stood at over £ 63 million.

By 1890 the three great categories of central government expenditure—the debt service, military expenses, and all other expenditure—were of roughly the same order of magnitude. But in reaching this rough equality, the debt service had grown only some two and one-half times during the preceding century, military expenses had increased about five times, and

Apart from the armed forces and the East Indian Civil Service, the chief employers of labor in the nineteenth century governmental service are easily identified. Of the 40,000-odd civilian employees of the central government as reported by the Census in 1851, over 25 per cent were in the Post Office, nearly 40 per cent were engaged in inland revenue and customs collection, and another 20 per cent were messengers and workers in the dockyards and ordnance factories. Of the remaining 5,600 persons, nearly 1,000 were peers, MP's, and attachés of the Royal Court and some 2,000 were civilians in the military and naval departments. Indeed the special Census return of 1851 shows only 1,628 persons engaged in the civil departments of the government for general administrative purposes. Some of the departments administering important new departures in government were ludicrously small. The Board of Trade had 103 employees, including

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other expenses, which reflect the new functions of government in an industrial community, had increased over ten times. (A different classification of expenditures has been adopted by Alan Peacock in his forthcoming study. His figures, therefore, will not agree exactly with these. See Chapter 1, note 1, above.) In the local sphere the big increases during the quarter century covered by our figures were in municipal sanitation and public works and in education. By 1891 the first category had grown to nearly three times its size in 1867. The second had increased from zero to £ 8,227,000 and amounted to 11.5 per cent of local expenditures.

If we compare these figures with the crude estimates for national income assembled by Lord Stamp from various sources, we find that central government expenditures were some 8 per cent of the national income in 1791. Excluding the debt service, the percentage is only 4 per cent. In 1890 the percentage is 7.3 per cent including debt service, 5.3 per cent excluding it. Central and local expenditures together were 10.7 per cent of national income in 1867 (7.4 per cent excluding national debt service); in 1890 they were about 12 per cent of the national income (about 10 per cent after excluding national debt service charges). The national income figures cited in Lord Stamp's book are not well defined and the significance of our percentages is correspondingly ambiguous. Based on the more precisely defined Jefferys-Walters estimates of national income at factor cost, the 1890 total expenditures, including debt service, were 11 per cent of national income. These are tentative estimates of national income and may be revised by their authors before publication.

See Sidney Buxton, *Finance and Politics*, London, Murray, 1888, Vol. II, Appendix C; Bernard Mallet, *British Budgets, 1887-88 to 1912-13*, London, Macmillan, 1913, Table II, pp. 476-477; *Statistical Abstract for the United Kingdom*, 1898, Tables 19 and 20, pp. 40-43; J. C. Stamp, *British Incomes and Property*, London, King, 1916, p. 427; James B. Jefferys and Dorothy Walters, "National Income and Expenditure of the United Kingdom, 1870-1952," mimeographed, a paper submitted to the International Association for Research in Income and Wealth, Third Conference, Castel Gandolfo, September 1953.

24 office-keepers, messengers, and porters. There were 23 inspectors of factories and mines. The Poor Law Board employed 84 and the newly established General Board of Health only 30 persons.<sup>20</sup>

The distribution of local government workers in 1851 was also heavily concentrated in certain departments. Some 59 per cent of the local civil service consisted of policemen. Some 17 per cent more were magistrates, sheriff's officers, and prison officials, leaving only 24 per cent for the other functions of local government. It should be remembered, however, that the 1851 Census excludes certain categories of employees—particularly workers directly employed on local construction projects.

The departmental distribution of central government employment did not alter much in the second half of the Victorian era. Post Office, inland revenue, and customs collection continued to dominate civilian government employment. On the surface the Census figures suggest that the situation in local governments was also basically unchanged. The police rose slightly, from 59 to 62 per cent of total local employment. The remainder of the local government servants dropped from 41 to 38 per cent. However, the workers employed in those government services missed by the Census were increasing, so that the Census figures alone tell a misleading story. Teachers and others in the new public school system and the burgeoning numbers of municipal utilities workers were swelling the public payrolls. The police forces, in all probability, no longer included more than 30 per cent of the people on local government payrolls. Functions other than mere security were now accounting for increased employment.<sup>21</sup>

#### *Political and Ideological Brakes on the Expansion of Government*

In the nineteenth century the British people began to adapt their government to the social problems raised by the progress of industrialization and urban concentration and by the capitalistic economic organization within which these processes occurred. But compared with the rapid sweep of industrialization in the nineteenth century or with the rapidity of government

<sup>20</sup> The older agencies were also thinly manned. The Foreign Office had 85, the Colonial Office 49, and the Treasury 96 employees and officials. *Census of Population, 1851*, House of Commons, Accounts and Papers, 1852-1853, Vol. LXXVIII, pp. CCCXLIX-CCCL.

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expansion in the twentieth, the growth of government in the 1800's was slow. It is not to be understood, therefore, in terms of the impact of the new economic forces alone. The political

<sup>21</sup> The discussion in the text is based on the following table of employment (in thousands of persons):

	1851, <i>Census</i>	1891, <i>Census</i>	1891, <i>Adjusted</i>
Armed forces at home and abroad	178.8	249.0	249.0
National civil government	40.3	90.6	105.0-115.0
Peers, MP's, members of the Royal Court, etc.	0.9		
Post Office	10.4		
Inland revenue and customs	15.9		
Other civil servants in administra- tive and military departments	4.6		
Messengers and workmen	3.4		
Dockyard artificers and laborers	5.0		
East India Service	3.8	0.2	
Local government	31.0	72.0	150.0-200.0
Police	18.3	44.7	44.7
Others	12.6	27.3	105.0-155.0
Total government	253.9	411.8	504.0-564.0
Labor force	10,447.0	14,682.0	14,682.0
Government workers as per cent of labor force	2.4	2.8	3.4-3.8

Sources

1851: *Census of Population, 1851*, House of Commons, Accounts and Papers, 1852-1853, Vol. LXXXVIII, Table 54. Labor force includes persons of specified occupations or status less housewives, children not seeking work, persons of rank, inmates of asylums, etc., plus armed forces abroad.

This table includes only those employees whose principal occupation was in government work. A special canvass of central government departments, which covered all those wholly or partly employed, gave a total of male workers in Great Britain some 10,400 larger than did the Census tables proper (*ibid.*, pp. CCCXLIX-CCCL). The difference lay almost entirely in the Post Office and among the "artificers and laborers" of the Admiralty. The discrepancy in the Post Office was due to the large number of sub-postmasters and sub-postmistresses whose chief occupation was not in the postal service. The discrepancy in the Admiralty may have occurred partly because workers whose major occupation was outside government were included, but presumably also because in an occupational census many manual workers are classified only by their occupation but not grouped under the industry of their employer. They were, therefore, not included under government in the regular Census tables.

1891: See Tables 1, 2, and 8 and "Sources and Notes to Tables and Charts." Census figures omit industrial workers, teachers, etc. Adjusted figures include them.

and ideological environment of the time was an important conditioning factor which tended to check the expansion of governmental activity, so that the full impact of many problems which appeared before 1900 was not felt until the present century.

One retarding factor was the distribution of political power. Not till 1884 was universal householder suffrage achieved, and even that was not universal male suffrage. And since the English were, as Walter Bagehot said, a "deferential nation," and since labor political organization did not achieve any real power until decades after the vote was secured, effective control remained firmly in the grip of the gentry and the business classes.<sup>22</sup>

The views of these classes were, therefore, embodied in governmental policy with but little dilution or concession. During most of the century the political policies of these groups were heavily influenced by a popularized and somewhat corrupt version of the doctrines of individualism and of governmental non-interference, of which the writings of Bentham and the classical economists were the purer intellectual foundation.<sup>23</sup> These doctrines, besides helping to remove the older mercantilist controls, did indeed support the various Reform Acts of the 1830's, the further extension of the franchise, and the establishment of a modern civil service. They thus helped lay the political and administrative bases for an extension of governmental activity at a later stage. It is also important to remember that Bentham and his economist allies were not unqualifiedly and universally averse to state action. They saw at least two great positive duties for government in economic life: the first, to protect those classes of individuals who were not sufficiently enlightened or responsible to act for themselves; the second, to erect and maintain ". . . certain public works and certain public institutions, which

<sup>22</sup> See D. C. Somervell, *British Politics since 1900*, London, Dakers, 1950, p. 21.

<sup>23</sup> The general acceptance of individualism by the leading elements of all political parties in the era between the Reform Bills of 1832 and 1867 is described by A. V. Dicey, *Lectures on the Relation between Law and Public Opinion in England during the Nineteenth Century*, London, Macmillan, 1905, pp. 176-183.

"What then was the extent to which the Benthamism of common sense or individualism, obtained acceptance?"

"The answer may be given with certainty and decision. From 1832 onwards the supremacy of individualism among the classes then capable of influencing legislation was for many years incontestable and patent" (*ibid.*, p. 176).

it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society."<sup>24</sup> Their conception of the first duty, for example, caused many, though not all, classical economists to favor the regulation of children's work in factories; but fewer of them favored the extension of factory regulation to women and none to men.<sup>25</sup> Their conception of the scope of the second duty led Bentham and the economists to favor public provision of sanitation and hospital services and of elementary education.<sup>26</sup>

In spite of these qualifications of principle, it seems fair to say that, during the heyday of its influence, the markedly individualistic tenor of utilitarian and economic theory, when translated into the sphere of practical politics, interposed a steady check upon governmental action. For this at least three reasons may plausibly be advanced. One is that the popularized versions of political economy confined the role of the state within far narrower limits than did the original. Another is that even where a modern individualist might see an occasion for state action under one or the other of the principles just stated, a nineteenth century individualist saw none, either because his conception of the capabilities of the state was more limited or because he was so intent to encourage the spirit of self-help and independence. And still a third reason is that the predominant influence of the business class, as contrasted with that of the working class, in the government made for a strict application of individualistic doctrine. They conceived their country's interests as well as their own to lie in freedom from governmental restraint and in strict governmental economy.

The more far-reaching practical significance of the role which Bentham and the classical economists assigned the state may,

<sup>24</sup> The significant areas within which the classical political economists and Bentham approved state action in spite of their general disposition to rely on individual action are well set out by Lionel Robbins in *The Theory of Economic Policy*, London, Macmillan, 1952. The quotation in the text is from Adam Smith's *Wealth of Nations* and is cited by Robbins (*op. cit.*, p. 37).

<sup>25</sup> Robbins, *op. cit.*, p. 102.

<sup>26</sup> It is significant, however, that as late as 1859, John Stuart Mill "deprecated the direct assumption by the State of educational functions, and contended that it ought to do no more than compel parents to provide for the elementary education of their children" (Dicey, *op. cit.*, p. 276).

therefore, be chiefly that it provided a reasoned basis for state action, within the dominant ideological tradition, for use in later decades.<sup>27</sup> At the time, however, such prominent cases of governmental intervention as the Factories Acts gained support in part because they appealed to the humanitarian spirit prominent in English religious feeling, just as the movement for sanitation and municipal facilities appealed to both the humanitarian and business instincts, not to say the sense of sheer expediency, of the ruling groups in Parliament and in the city governments. But all these influences gained such ground as they did against the steady opposition of a strong anti-interventionist current.<sup>28</sup>

These political and philosophic influences were bolstered by outward circumstances. The nineteenth century was a century which, for many purposes of historical analysis, began with the Congress of Vienna and ran until the assassination at Sarajevo. It was a period in which the relative absence of large-scale war left trade channels undisturbed and foreign investments secure. Since the economic adjustments to be made at any one time were usually minor, the forces of the market had an unparalleled chance to perform to the general satisfaction the functions of economic organization and control. When the aged Sir William Harcourt could say to the youthful Churchill, "My dear Winston . . . , the experiences of a long life have convinced me that nothing ever happens,"<sup>29</sup> governments, and particularly the British government, might well feel absolved from the need to do much to encourage or restrain the enterprise of individuals or to offset the results of their bargains.

But the minor role of government during the nineteenth cen-

<sup>27</sup> Robbins, *op. cit.*, p. 37.

<sup>28</sup> As to the opposition of Benthamite liberalism to, and the support of humanitarianism for, the Factories Acts, see Dicey (*op. cit.*, pp. 108 and 219-239). As already noted, there were many classical economists who supported factory regulation, at least for children. Dicey also considered that the assumption of state responsibility for public education was delayed by the "distrust of State intervention which characterized the Benthamite era" (*ibid.*, p. 276). The inter-city competition which supported the improvement of municipal facilities is described by Fay (*op. cit.*, pp. 156-158). The convenience and expediency of using local government to do jobs which, in one way or another, demanded doing, are suggested by R. C. K. Ensor (*England, 1870-1914*, Oxford, 1936, p. 128).

<sup>29</sup> Winston Churchill, *The World Crisis*, Scribner's, 1931, p. 15. The year was 1895, the year of the Jameson raid. German naval ambitions were soon to be made manifest, and, as Churchill says, "Since that moment, as it seems to me, nothing has ever ceased happening."



tury reflects more than the absence of violent economic disruption; it also reflects the infancy of the economic and social sciences. Compared with recent decades, the volume of systematic information about social conditions was very small, which meant that the existence of problems was hard to establish persuasively. Moreover, even when a problem was sufficiently obtrusive, often no plausible means of solving it could be seen. The responsibility of governments for corrective action, therefore, was not recognized. If the volume of unemployment is unknown, the gravity of the problem is in doubt. If its connection with the state of business at large is not understood, it can be attributed to the personal failings of individual workers. If there is no plausible method of counteracting or avoiding economic fluctuations by social action, no responsibility falls upon the government. Unemployment due to business cycles has been characteristic of industrial capitalism since at least 1750, but not until the early 1900's was the connection clearly established, and even then the volume of unemployment was not yet accurately measured. It was not until the 1930's that social remedies for depression were offered which gained widespread support. The assumption of broad government responsibility for economic stabilization was therefore delayed almost to the present time. What was true of business cycles was true of many problems thrown up by industrialism and capitalism in the last century. With few exceptions, the social studies which were the necessary prelude to state action were not completed, in some cases not even begun, before 1900. For all these reasons the last century was a time only of great beginnings in the growth of government. More recent decades have witnessed the rapid acceleration of that growth.