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W. H. B. Court

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BRITISH ECONOMIC HISTORY

1870-1914

COMMENTARY AND DOCUMENTS

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BRITISH
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1870-1914

COMMENTARY AND DOCUMENTS

BY

W.H.B. COURT

*Professor of Economic History in the
University of Birmingham*



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For A. K. C.

without whom, nothing

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PREFACE

History is the essence of innumerable lives and as such beyond our understanding. We can only, as people say, form an idea of it. To sort out in every generation our ideas of history and to test them against the evidence available is the task of the historian. Unless this is done, human society remains without true knowledge of its past and presumably indifferent to its future.

The concern of this book is with the economic characteristics and transformations of British society in the thirty or forty years before 1914, within the lifetime of men and women who had already reached middle-life when the First World War broke out. The war marked the end of the social order, as well as of the political system, of nineteenth-century Europe. The period of violent change so introduced may be said to have lasted thirty years, until it closed under vastly altered circumstances in the Europe of 1945. These were years which seem likely to affect permanently the destinies of mankind. Therefore it becomes a matter of considerable interest to examine the resources with which Britain entered upon the war in August 1914 and the movements of her economy and society in Late Victorian and Edwardian times. In that pre-war generation, the direction and ordering of policies, the economic and political decisions which lay behind them, which were to do so much to settle the large outline of later events, were still in the making.

This book is not another narrative of the economic changes of the years with which it deals. One or two such already exist, notably those written by Sir John Clapham and William Ashworth,¹ and the number may soon be increased. It is rather an attempt to interest students and others who wish to understand those years in the documentary evidence for economic history and in the problems of its interpretation. Contemporaries have been left, as far as possible, to speak for themselves. They can best explain their intentions, the conditions under which they worked, what they expected and what they did not expect.

A certain amount of statistical material is included in some of the documents quoted. But it has been assumed that the central statistics of British economic development are already available and will be consulted elsewhere.² Meanwhile, there seemed to be room for a

¹ Sir John Clapham, *An Economic History of Modern Britain*, vol. III (1938) and William Ashworth, *An Economic History of England, 1870-1939* (1960).

² See especially B. R. Mitchell and P. Deane, *Abstract of British Historical Statistics* (1962), and P. Deane and W. A. Cole, *British Economic Growth, 1688-1959* (1962).

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collection of documents, in addition to the statistical measurements. Both are indispensable to the serious study of economic change.

There are some things which documents, with all their inadequacy and untidiness, can do to aid our understanding of history which statistical series can hardly perform. Economic events are the consequence of economic decision, private or public, that is, of the resolve to use resources in one way and for one purpose rather than in another way and for another purpose. It is hoped the documents here gathered may throw some light, admittedly neither steady nor without shadow, upon the processes by which decisions in these years came to be taken of a kind which involved the use of the national resources between competing ends, the manner of the execution of those decisions and the consequences to the nation in terms of the size and distribution and expenditure of incomes. These documents relate to a time when this country was at the height, not of her population and national product, for both are larger now, but of her power and influence in the world, on the eve of the supreme crisis of modern Western history.

The main problem for the editor was the arrangement of the documents. A purely chronological order would have been meaningless. Nor would it have been enough to use them to throw light upon passing complexities and confusions of opinion, although these are important for our understanding of situations as they unfolded themselves to view at the time. In the last ten or fifteen years, economists and historians have studied with great intentness the events of this momentous period, when Victorian certainties were passing away and many modern problems were coming into sight for the first time. Their professional discussions have done much to give the book its present shape. This has been directed towards two main topics, much discussed both at the time and later. One of these is the extent and causes of economic change in Great Britain at this period. The other is the effect of those changes upon what was coming to be called about the turn of the century economic welfare, that is, men's notion of what was desirable and rational in the way of making an income and a living, given the current development of resources. The national product between 1870 and 1914 had to provide not only for a rising population but also for the growing expectations of individuals and classes, with all the hope of a widened personal choice in life and the massive drive of democratic politics behind them. It had, besides, to sustain the country's defence, in an era of intense armaments competition in Europe between the Great Powers, and to protect the most populous and extensive of Western colonial empires. These great themes in the economic history of the period are illustrated here in a manner, it is hoped, sufficiently broad to give an adequate view of the working

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of the highly complicated system of relationships which formed the national economy as a whole.

It has proved impossible to illustrate every aspect of economic life. Some important and interesting subjects, such as the organization of the great produce markets and the structure of banking, come off badly here, although the existence of Sir Theodore Gregory's *British Banking Statutes and Reports* (1929) makes the financial gap less painful than it might otherwise be. But it seemed necessary to make some sacrifice even of significant and useful knowledge for the sake of what is vital towards an understanding of the main economic interactions of industrial society and of what it meant to live in the British national community, in those days one of the richest and most powerful in the world, before general war in Europe made it necessary to contemplate what seemed incredible, the destruction of the social arrangements of peace time.

The interpretative essays, if they may be called so, which introduce the chapters of documents, are intended to relate the chapters to one another and the documents to modern discussions of the period. They are not intended to be exhaustive or to do away with the need for further reading on the part of students. Notes for further reading are attached to the essays. The notes do not form in any way a bibliography—a true bibliography of the period would be as long as this book—but it is hoped they may be useful. The essays and the documents are intended to lend support to one another. The hope has been that, out of both, the reader might collect something like a coherent and reasonably balanced picture of the British economy, although it will be seen that great gaps exist in the material available for a satisfactory economic portrait of this age.

Brief annotations have been attached to the documents. These are intended sometimes to throw light on the personality and the intentions of the writer of the document quoted, sometimes to illustrate the wider context of the problems which it reflects, and always to give the source of the document, so that this may be sought if required. References to the Parliamentary papers follow the system of P. and G. Ford's *Select List of British Parliamentary Papers, 1833-1899* (1953).

Particular thanks are due to two institutions of learning abroad. A book on this phase of modern British history was first meditated on a visit to the Institute of Advanced Studies at Princeton, in walks among the fields and woods of New Jersey. A fellowship to the Australian National University at Canberra in 1959 provided the leisure for a much-needed revision of the original plan.

The book owes much, I am sure, to two men neither of whom has seen it or bears any responsibility at all for it. Sir Keith Hancock, now in Australia, probably has forgotten many conversations about

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colonies and the economic meaning of Empire. The profound knowledge of Lance Beales, formerly of the London School of Economics, of the sources of British history in the nineteenth century, is only matched by his generosity in imparting it to other people.

In the actual search for, transcription and checking of documents, I owe a great debt to three research assistants who have at one time or another been on the strength of the Faculty of Commerce and Social Science at the University of Birmingham. They are Miss Janet Blackman, Mr M. F. Miles and Mr J. H. Treble. Without their help, an inquiry of this kind would have been impossible. Equally indispensable have been the labours, at different times, of Mrs Mary Wightman, Mrs Judith Moseley and Mrs June Malone, who typed the book. On their shoulders, and on those of Miss Helen Berry, also of the Faculty of Commerce and Social Science, a great load fell. For the final results, both in the main and in detail, I remain responsible.

I have been much indebted throughout to the care and interest and forbearance shown by the Cambridge University Press during the long composition of this book.

W. H. B. C.

*Birmingham**November 1964*