

Civil Society, Commerce, and the "Citizen-Consumer":
Popular Meanings of Free Trade in Late Nineteenth-
and Early Twentieth-Century Britain*

by Frank Trentmann
Department of History, Princeton University
Center for European Studies, Harvard University

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Abstract

This essay explores the changing popular understanding of the relationship among civil society, economy, and state in the debate about Free Trade. It unravels the rich social, political, and cultural meanings of Free Trade to cooperative societies, women's groups, radicals and labour. Before the First World War, Free Trade was understood less as a handmaiden of market capitalism than as an agent of civil society nurturing its constitutive elements: associational life, reciprocity, and civic responsibility. The "new liberalism" contributed the ideal of the "citizen-consumer," a vision which is compared to productivist utopias on the continent. The First World War and the 1920s, it is argued, witnessed the end of a chapter in the history of civil society: freedom of trade became dissociated from a belief in the relative autonomy of civil society from state and economy. New ideas of associative democracy emerged, building bridges between civil society and the state. By reconceptualizing political economy as a discourse about the normative order of civil society, this paper sheds new light on the social and democratic development of modern Britain.

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I

‘[E]very civilized man must regard murder with abhorrence. Not even in the defense of Free Trade would I lift my hand against a political opponent, however richly he might deserve it.’¹

Bernard Shaw’s caricature of a liberal Englishman in Ireland contained more than a grain of truth. To Bertrand Russell in 1903 nothing else but the very ‘purity and intensity of public spirit’ depended on Free Trade, and he felt ‘inclined to cut my throat’ if tariff reform were triumphant.² Freedom of trade had been linked to civil society in enlightenment thought, but it was not until the turn of the twentieth-century that it reached an apotheosis as a popular ideology and movement. In contrast to Continental societies, Free Trade in Edwardian Britain was a national policy but also a collective cause and value system, a *Weltanschauung* and a way of life to many broadly based social and political groups. They ranged from the liberal Free Trade Union and the more exclusive Cobden Club and conservative Free Food League, to popular mass movements such as the two million strong Co-operative movement and the People’s League Against Protection.³ Free Trade, in fact, was at the very centre of British political culture.

The renaissance of “civil society” in the last decade offers a fresh starting point for reappraising the social vision of popular Free Trade in Britain at the turn of the twentieth century. Civil society refers to those social spaces -- distinct from the state -- in which individuals and groups can organize themselves voluntarily and create their identities freely. The current literature has developed into three (largely separate) debates. A first body of work has focused on the early conceptual history of civil society in eighteenth- and early nineteenth-century Europe, primarily at

¹ Broadbent in *John Bull’s Other Island* (1904), G.B. Shaw, *Collected Plays with their Prefaces* (London 1971), II, 898.

² Russell to Lucy Donnelly, 29 July 1903, cit. Caroline Moorehead, *Bertrand Russell: A Life* (London, 1992), 141; ‘The Tariff Controversy’ in *The Edinburgh Review*, 199 (1904); for the origin of this paper that appeared anonymously, see *The Collected Papers of Bertrand Russell, XII: Contemplation and Action, 1902-1914*, ed. Richard A. Rempel (London, 1985), 190ff. Russell gave at least thirteen speeches during the fiscal controversy in the first three months of 1904.

³ Some of these had local branches, e.g. the Free Trade Union in Southampton and Hampstead, and the Unionist Free Traders in Surrey. The Free Trade Union concentrated on elections, rallies, political literature, and lantern lectures. For examples of independently organized lectures, see Mrs. Birch’s series of speakers, which included Russell, Pollock, and Buxton, see her correspondence with A. Elliot, 1,2,4 Jan. 1904, National Library of Scotland (Edinburgh), Elliot MS 19493.

the level of high intellectual history and political theory.⁴ A second strand has been that of applied political science, most notably in the current American debate about the connection between associational life and liberal democracy – a trajectory driven, partly, by the recent interest in communitarianism and “social capital”, partly, by a selective re-appropriation of earlier ideas, especially from deTocqueville’s *Democracy in America* (1835).⁵ Finally, there has been a philosophical and normative debate about the nature of civil society and the relationship of its intermediary institutions (associations, clubs, unions) to state and economy in contemporary Western societies and the applicability of the concept to non-Western societies.⁶

The historical connections and tensions between conceptual, political, and normative discourses in popular politics have received far less attention. This essay seeks to add to an historical understanding by exploring the changing place assigned to civil society in popular political economy in late nineteenth and early twentieth-century Britain. The debate about Free Trade marked an important chapter in the popular history of civil society in which older affinities between “civil society” and “commerce” were revived, revised, and, ultimately, lost. Instead of the

⁴ Exemplary, the conceptual genealogy in John Keane (ed.) *Civil Society and the State* (London, 1988), pp.35-71.; Marvin B. Becker, *The Emergence of Civil Society in the Eighteenth Century* (Bloomington, 1994); for an older more German-centred account, see M. Riedel “Gesellschaft, bürgerliche” in *Geschichtliche Grundbegriffe*, Otto Brunner et al., eds. (Stuttgart, 1975), II, 719-800. See also Istvan Hont, Michael Ignatieff (eds.), *Wealth and Virtue: the Shaping of Political Economy in the Scottish Enlightenment* (Cambridge, 1983); Fania Oz-Salzberger, *Translating the Enlightenment: Scottish Civic Discourse in Eighteenth-century Germany* (Oxford, 1995). For the twentieth-century, cf. Jean L. Cohen, Andrew Arato, *Civil Society and Political Theory* (Cambridge, Mass., 1992).

⁵ Robert D. Putnam with Robert Leonardi and Raffaella Y. Nanetti, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, 1993); for critique, see the special issue of *Politics & Society*, XXIV, 1 (March 1996). For historical assessments of associational life, see T. Nipperdey, ‘Verein als soziale Struktur in Deutschland im späten 18. und frühen 19. Jahrhundert’ in *ibid.*, *Gesellschaft, Kultur, Theorie* (Göttingen, 1976), pp.174-205; R.J.Morris ‘Clubs, societies and associations’, *The Cambridge Social History of Britain, 1750-1950*, III, F. M. L. Thompson, ed. (Cambridge, 1990), 395-443; Philip Nord, *The Republican Moment: Struggles for Democracy in Nineteenth-Century France* (Cambridge, Mass., 1995).

⁶ Joshua Cohen, Joel Rogers (eds.), *Associations and Democracy* (London, 1995); John A. Hall (ed.), *Civil Society: Theory, History, Compassion* (Cambridge, 1995); Michael Walzer (ed.), *Toward a Global Civil Society* (Providence and Oxford, 1995); Ernest Gellner, *Conditions of Liberty: Civil Society and Its Rivals* (London, 1994); Augustus R. Norton (ed.), *Civil Society in the Middle East* (Leiden, 1995); Chris Hann, Elizabeth Dunn (eds.), *Civil Society: Challenging Western Models* (London, 1996); Hagen Koo (ed.), *State and Society in Contemporary Korea* (Ithaca, 1993); D. Strand ‘Protest in Beijing: Civil Society and Public Sphere in China, *Problems of Communism* (May-June, 1990), 1019; E. J. Perry, E. V. Fuller, ‘China’s Long March to Democracy’, *World Policy Journal* (Fall 1991), 663-85. Alan P.L. Liu, *Mass Politics in the People’s Republic: State & Society in Contemporary China* (Oxford, 1996), esp. ch.6. Of course, many of these studies combine philosophical with historical and political-scientific perspectives.

conventional historiographical focus in discussions of the Edwardian fiscal controversy⁷ on either political power or economic interest we need to insert a space for civil society as ‘the target as well as the terrain’ of collective action, to borrow an image from recent political theorists.⁸ How contemporaries conceived of the positive relationship between Free Trade and civil society therefore becomes an important historical issue. This opens up two related set of questions. On the one hand, what understandings of “commerce” informed popular concepts of civil society? On the other hand, what ideal of citizenship was connected to this vision of social and economic development?

These questions are an attempt to listen to the popular voices of political economy and to reclaim the ideas, values, and languages that tied Free Trade to civil society in British political culture. The search for the social meanings of Free Trade contributes to a larger historiographical issue. In recent studies of Victorian Britain the master narrative of class has been replaced by a new orthodoxy stressing the powerful hold of older radical languages of “the people”.⁹ While this has helped to link nineteenth-century languages to earlier ones, particularly republicanism, the new emphasis on the homogeneity and continuity of radicalism raises problems of a different kind. For how, then, do we account for the two major social and political transformations in the first half of the twentieth century: the decline of liberalism, and the transition from the Gladstonian system to the Keynesian welfare state? A prior step to understand these twin transformations is a better understanding of the gradual dissociation between Free Trade and civil society. This essay is part of a broader attempt to come to grips with these problems by reconceptualizing political

⁷ Richard A. Rempel, *Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders* (Newton Abbot, 1972); Alan Sykes, *Tariff Reform in British politics, 1903-1913* (Oxford, 1979); Wolfgang Mock, *Imperiale Herrschaft und nationales Interesse: ‘constructive imperialism’ oder Freihandel in Grossbritannien vor dem Ersten Weltkrieg* (Stuttgart, 1982); Robert C. Self, *Tories and Tariffs: the Conservative Party and the Politics of Tariff Reform 1922-32* (New York, 1986). For a broader treatment, see now E.H.H. Green, *The Crisis of Conservatism* (London, 1995).

⁸ Cohen, Arato, *Civil Society*, p.509. Cf. Hank Johnston, Bert Landermans (eds.), *Social Movements and Culture* (Minneapolis, 1995). For different definitions and approaches, see Hall (ed.), *Civil Society*.

⁹ While historians have arrived at this shift from different methodological starting points – ranging all the way from Biagini’s political history of popular liberalism to Joyce’s more post-modern analysis of the discourse of the people – they share a certain affinity in their account of the consistency and continuity of this populist vision. See Eugenio F. Biagini, *Liberty, Retrenchment and Reform: Popular Liberalism in the Age of Gladstone, 1860-1880* (Cambridge, 1992); Patrick Joyce, *Visions of the People: Industrial England and the question of class, 1848-1914* (Cambridge, 1991). But cf. now, Miles Taylor, *The Decline of Radicalism* (Oxford, 1995).

economy as a public debate about the normative order of civil society and its relationship to its political and economic environment.

II

In the collective identity of radical movements, the strengthening of civil society and the coming of Free Trade were closely intertwined. As Mrs. Bury, the vice-president of the Women's Cooperative Guild, told a women's mass meeting in 1903, 'Cooperation and Free Trade started together, and they had jogged along successfully.'¹⁰ This positive association was a cultural achievement, based on a historical memory of "1846". It helped to refashion popular understandings of the history of civil society and political economy and to suppress the more complex (indeed tension-filled) relationship between movements like Chartism and the Anti-Corn Law League.¹¹ This was a dynamic process, fuelled by the recycling and construction of values, ideas, symbols, and narratives that sustained the collective meanings of Free Trade.¹²

The role of a radical narrative of history emerges vividly from George Holyoake's 'The Days of Protection', a piece of historical memory widely circulated in the Edwardian campaign. When Joseph Chamberlain finally launched the tariff reform crusade in the summer 1903, Liberals were quick to turn to the old-co-operator for an account of 'the condition of the workmen in England before Free Trade and the changes you have observed since that time.' Rather than simply following the request of the liberal editor, H.W. Massingham, to focus on 'the increase in

¹⁰ Manchester and Salford Co-operative Herald, Dec. 1903, p.199.

¹¹ For these earlier conflicts, see James Epstein, The Lion of Freedom: Feargus O'Connor and the Chartist Movement, 1832-42 (London, 1982), ch.7; Gareth Stedman Jones, Languages of Class: Studies in English working class history, 1832-1982 (Cambridge, 1983), esp. pp. 150 ff.; Norman McCord, The Anti-Corn Law League, 1838-1846 (London, 1958), chs. 4-5; Lucy Brown 'The Chartists and the Anti-Corn Law League', in Asa Briggs (ed.), Chartists Studies (London, 1959).

¹² To avoid misunderstanding, this is not to deny the material significance of food in contemporary living costs or the anxieties of a price increase associated with tariff reform, merely to acknowledge that this does not of itself explain the collective meanings of Free Trade. Too often, the collective dimensions have been reduced to features other than itself, such as external structural givens (economic interests, location, bread costs), instead of giving attention to the beliefs, motives, and meanings of Free Trade at the time. No deterministic relationship exists between dependence on food and Free Trade politics in the historical process; it is useful to reiterate the obvious point that Free Trade Britain enjoyed the highest average standard of living in Europe. As opposed to economic analyses reducing it to aggregated "individual" interests, or short political references to popular Free Trade as an inherited structure of liberalism, historical inquiry needs to give greater attention to the changing "collective" meanings of Free Trade and their contradictions as well as their affinities.

the purchasing power of their wages',¹³ Holyoake, who personally remembered the First Reform Act of 1832 and the Repeal of the Corn Laws in 1846, offered a set-piece of radical collective memory. His 'Days of Protection' compressed the story of associational freedom, linking it directly to Repeal. Readers were told of a protectionist past in which society had been colonised by capitalism, leaving no space for societal self-organization and individuation. Workers and the starving poor were not counted as members of society, indeed they had 'never learned to think much of [them]selves.' Free Trade marked a turning point in the history of civil society and democratization, leading to the recognition of the institutional autonomy of social groups and providing labourers with 'a more generally-recognized position in the State', 'having rights which should be respected... [and] having interests which should be consulted.'¹⁴ Political rights, however, remained embedded in an anti-statist outlook. Social autonomy and self-limitation went hand in hand in the cooperative approach to laissez-faire. Cooperation, in Holyoake's oft-cited words

took no man's fortune, it sought no plunder,...it gave not trouble to statesmen,...it subverted no order,...it asked no favour, it kept no terms with the idle, and it would break no faith with the industrious. It meant self-help, self-dependence.¹⁵

This negative view of the state reflected a positive, indeed utopian vision of the co-operatives as a separate, self-regulating social order that would distribute the wealth created by Free Trade and, in turn, strengthen civil society, protecting its groups from both state interference and dependence. Part of this voluntarist project was carried out through the cooperative educational programme, which offered courses in cooperation, citizenship, history, and political economy. All of these contained material on Free Trade. Political economy figured prominently amongst the recommended Two-Hundred-And-Fifty Good Books for Co-operative Libraries, which included the leading standard works on Free Trade by Bastable, Farrer, and Fawcett, major

¹³ Co-operative Union Archive, Manchester, Holyoake Mss, H.W.Massingham to Holyoake, 15 July 1903 for this and the previous quotation. Massingham had been commissioned by the Free Trade publisher Fisher Unwin. See also *ibid.*, Greening Mss, box4/7, T.Fisher Unwin to Holyoake 2 Nov 1903, and box4/6, Holyoake to Greening 8 Nov 1903.

¹⁴ George Holyoake, 'In the Days of Protection', in H.W.Massingham (ed.), Labour under Protection: A Series of Studies (London, 1903), 112; this was reprinted in the popular radical Reynolds News, 29 Nov. 1903, 3.

¹⁵ Cit. Bolton Co-operative Record, XIV, 12 (Dec. 1903), 27.

works by Smith, Ricardo, J.S. Mill, Marshall, and Giffen, as well as Morley's biography of Cobden.¹⁶ The two-million strong co-operative movement played an indispensable role in assisting the elite but impoverished Cobden Club by disseminating popular literature, offering speaking halls, and organizing mass rallies.¹⁷ In the co-operative literature, the repeal of the corn laws was represented as the beginning of 'the progress of the people', the landmark of a new social geography, in which co-operatives, friendly societies, and trade unions cultivated social autonomy, trust, and solidarity.¹⁸

Social movements depend on the reproduction of an internal culture of shared knowledge and identity.¹⁹ Part of the radical-liberal culture was created in the Edwardian narrative of the 'Hungry Forties'. Individual labourers' memories of suffering were fused into a collective experience of a protectionist Hungry Forties, a volume initiated by Cobden's daughter, Jane Cobden Unwin, in 1904. A 'people's edition' was issued the following year. By 1912 the penny edition had sold 110,000 copies, the bound copy another 100,000. They established the term as a symbolic reference point in public rallies and the political press. The 'Hungry Forties' offered a

¹⁶ Co-operative Educational Programme (1916). Note, the Two-Hundred-And-Fifty Good Books for Co-operative Libraries (1894) also included, for balance and discussion, Marx's Capital and List's National System of Political Economy.

¹⁷ Co-operative Union Archives, Manchester, Parliamentary Committee of the Co-operative Congress Minutes, 25 July 1903, 1 Aug 1903, 7 Nov 1903, 9 Nov 1903, 11 Jan 1904, 20 March 1905 for sectional conferences, and 11 Jan 1904 for the distribution and payment of general Cobden Club literature. Only a few co-operators spoke out against collaboration for compromising the movement with the present 'system of legalized robbery' at a time of high unemployment, The 36th Annual Co-operative Congress, 1904 (London, 1904), 331. The Cooperative arrangement saved the weak Cobden Club from impotency. The Club was starved for funds and was divided over strategy, see A.C. Howe 'Hungry Forties' in Citizenship and Community: Liberals, Radicals and Collective Identities in the British Isles, 1865-1931, ed. E. Biagini (Cambridge, 1996), ch. 8. Helped by his cooperative background, the Cobden Club's dynamic if controversial secretary, Harold Cox, was crucial in securing cooperative support for the Club's campaign. As the chairman of the Club and critic of Cox acknowledged to Herbert Gladstone, '[h]e has been useful in keeping us in touch with the bodies cooperative which will not look at you, or anything akin to Liberal organization.' British Library, London [B.L.], Herbert Gladstone MS 46,061, Welby to H. Gladstone, 10 Jan. 1904.

¹⁸ G.H. Wood "Social Movements and Reforms of the Nineteenth Century", The Co-operative Annual, XIV, 8 (Aug. 1903), 4. Needless to say, these "progressive" readings of repeal minimised the tension between the Free Trade and Chartist movements at the time. An alternative movement narrative, presenting Cobdenism as the killer of Chartism and social emancipation, was used by the Social Democratic Federation, e.g. Justice, 4 June 1904. For an excellent recent picture, suggesting a much more gradual expansion of associational life, see R.J. Morris 'Clubs', esp. pp. 406 ff. See also the helpful overviews of state-societal relations by Pat Thane and Jose Harris, *ibid.*, ch. 1, 2.

¹⁹ There is now a large literature on how social movements are culturally as well as politically situated, see e.g. the papers in Johnston and Landermans (eds.), Social Movements and Culture, esp. G.A. Fine 'Public Narration and Group Culture' which conceptualises a movement as a 'bundle of stories', ch. 7.

movement story of the heroic achievement of Cobdenites and a frame of interpretation highlighting the civilizing function of Free Trade. In the concluding words of Brougham Villiers, repeal had delivered the nation from 'Egyptian bondage'.²⁰

The insertion of "1846" into a linear story of national destiny, elevated Free Trade from the economic sphere to the larger one of social development. Free Trade was legitimated a natural mark of human progress. Hence the Edwardian appeal of Cobden's 'cheap loaf' as an icon of national liberty and progress held up in public ritual and popular print, reminding the public that a civilizing achievement was at stake as well as cheap food. References to the uncivilizing effect of protection in other societies, especially the dark counterimage of reactionary militarism and barbaric consumption of black bread, horseflesh, and dogmeat in Imperial Germany, suggested just how fragile this achievement was. This loaded ideological view of Germany was an integral part of Edwardian Free Trade. 'If this country wanted German tariffs', Lloyd George warned audiences repeatedly 'it must have German wages ... German militarism, and German sausages.... They could not have British freedom and British wages along with German Protection'.²¹ British liberals ignored the fact that Germany's tariffs were relatively low, as well as that social inequality had decreased more in Wilhelmine Germany than in Britain. This was not merely a rhetorical exercise: it had important implications for the ideological structure of political debate. For liberal propaganda and historical memory divided the debate about political economy into mutually exclusive terms of national development. Societies appeared to have a stark choice between unilateral, pure Free Trade linked to a liberal polity, on the one hand, and protection coupled with autocracy on the other. The combination of tariffs and democracy, established

²⁰ Brougham Villiers [F.J. Shaw] in *Hungry Forties*, p.274. For publication figures, see *The Land Hunger*, ed. J. Cobden Unwin (London, 1913), p.1. In England the 1840s had not been a decade of hunger: the depression had been limited to 1840-2, see W.H.Chaloner, *The Hungry Forties* (London, 1957).

²¹ House of Lords Record Office, London, Lloyd George MSS, A/13/1/4, 30 Jan. 1905. Massingham, for instance, introduced the radical collection *Labour and Protection* in the belief that the essays 'show --first that Protection is identified with a period of tragic wretchedness for our nation, and that a signal improvement has taken place under Free Trade; secondly, that a parallel to the misery inflicted by our Corn Laws exists in modern Germany, the European country in which the Protective system has been most thoroughly set up', p. xv f. For recent re-assessments of German protection and further literature, see Hans-Ulrich Wehler, *Deutsche Gesellschaftsgeschichte*, III: *Von der "Deutschen Doppelrevolution" bis zum Beginn des Ersten Weltkrieges, 1849-1914* (München, 1995), pp. 637-661.

across the channel in the French Third Republic (with higher tariffs than Imperial Germany) disappeared from the political imagination. The complex political economy of tariffs was simplified into a universal equation between protection, poverty, and social anarchy that transcended both economic analysis and the actual record of the short-lived depression in 1840-2; the popular debate was never dominated by theoretical issues or by the economics profession, still in its infancy, deeply divided, and, not infrequently, subject to ridicule.²² Free Trade discourse thus closed the space for alternative systems, such as reciprocity or social trade regulation. Campbell Bannerman used the Cobden centenary in 1904 to emphasize this binary view of competing regimes

‘[we] stand to-day at the parting of the ways....One road ... leads to Protection, to conscription, to the reducing of free institutions to a mere name ... And the other road leads to the consolidation of liberty and the development of equity at home, and to treaties of arbitration and amity...and the lightening of taxation, which presses upon our trade and grinds the faces of the poor.’²³

This civilizing discourse made it possible to dissociate Free Trade from free market. It would be too simple to reduce Free Trade to, in McKibbin’s words, a ‘technique by which market capitalism was justified to working men’.²⁴ The stories in the *Hungry Forties* expressed an alternative reading of political economy. One labourer, for example, concluded his critique of protection with a radical critique of middlemen and called for the ‘Co-operative Commonwealth, to fight for rather than against each other’, where ‘land should be the bedrock on which national

²² While Free Trade attracted support from many (though not all) neo-classical economists, including Marshall, Pigou, and the young Keynes, their influence was marginal. As A. W. Coats has shown, conflicting voices amongst economists weakened the public status of the young profession, ‘Political Economy and the Tariff Reform Campaign of 1903’, *Journal of Law and Economics*, XI (1968), 181-229.

²³ *Daily News*, 6 June 1904, p.7.

²⁴ McKibbin, *The Ideologies of Class: Social Relations in Britain, 1880-1950* (Oxford, 1994 edn), p.32. Ross McKibbin has been seminal in emphasizing the effect of Free Trade on separating economic and political systems, but his discussion does little to explore the ideas, meanings, or appeal of Free Trade through which its power operated. ‘Free trade finance’ appears in a somewhat instrumentalist fashion as a liberal capitalist technique. This begs many questions, not least why social groups understood Free Trade to be emancipatory in the late Victorian and Edwardian period but ceased to do so in the inter-war years and after. One necessary step to historicize this problem is to take the voices of popular Free Trade and their social ideals more seriously, instead of reducing them into a liberal capitalist gospel disseminated “from above” or into a merely defensive appeal that ‘permitted the relative autonomy and propriety of working-class politics’, pp.31f. A second is not to automatically equate free trade with free market capitalism and to give greater attention to its social and cultural attributes.

burdens rest.²⁵ Significantly Jane Cobden Unwin subsequently turned her energies to supplementing Free Trade with 'Free Trade in Land', a land reform project advertised as completing her father's attack on monopoly and social dependence. The popularity of land reform, indeed the inflated expectations of resettling an independent peasantry -- all within a pure Free Trade economy -- indicate how limited the understanding was of capitalist development based on open markets and the international division of labour.²⁶

Popular Free Trade did not mark the hegemony of "Manchester liberalism". For all the praise of Free Trade's welfare function, the relationship between commercial capitalism and civil society remained open to debate. In contrast to the high intellectual separation of economic theory from moral science in the Victorian period, moral and social considerations remained central elements in popular political economy. Here the relationship between commerce and civil society remained ambiguous, continuing the eighteenth-century debate between favourable assessments of the 'douceur' of commerce (Montesquieu) and warnings of its tendency 'to break the bands of society' (Ferguson).²⁷ A late Victorian co-operator, for instance, simultaneously advocated Free Trade and denounced economic liberalism:

What next shall we say of the evils of competition? What of the immoralities of greed and its gospel, "Get all you can, buy in the cheapest market and sell in the dearest, no matter at what cost to the comfort of your employes [sic], or the health of your customers?"²⁸

The co-operative answer separated the social qualities of free exchange from the economic qualities of competitive exchange. Free Trade was not merely a defense of Gladstonian finance, but an offensive movement for a new social order based on truly 'free, clean, and beneficent' trade

²⁵ 'A.J.M.', *Hungry Forties*, p. 77

²⁶ The number of employees in agriculture fell by one quarter from 2 to 1.5 million between 1860 and 1911. For the failure of resettlement schemes, see Johannes Paulmann "Ein Experiment der Sozialökonomie": Agrarische Siedlungspolitik in England und Wales vom Ende des 19. Jahrhunderts bis zum Beginn des Zweiten Weltkrieges', *Geschichte und Gesellschaft*, XXI (1995), 506-532.

²⁷ Montesquieu, *Esprit des Lois* (1748), Book xx; Adam Ferguson, *An Essay on the History of Civil Society* (1767), ed. Fania Oz-Salzberger (Cambridge, 1995), p. 207. Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before its Triumph* (Princeton, 1977); Richard F. Teichgraber III, 'Free Trade' and Moral Philosophy: Rethinking the Sources of Adam Smith's *Wealth of Nations* (Durham, 1986).

²⁸ R. Bailey Walker "Three Laws of a Healthy State: That Trade be Free, Clean, and Beneficent", *Co-operative News*, XI, 12, 20 March 1880, leader.

as the ‘three laws of a healthy State’. It reflected a remarkable trust in the power of social agencies to immunise social relations from the competitive dynamics of the economy.

III

The radical divorce of Free Trade from capitalist principles of free market and possessive individualism left its legacy on new movements and ideologies at the turn of the century. It would be misleading, however, to stop the analysis here and to presume that this influence amounted to a static or self-contained discourse. References to Free Trade as a homogenous, united entity have rendered it difficult to problematize its historical evolution as a complex and changing set of ideas. In contrast to the recent emphasis on radical-liberal continuity,²⁹ we can see the fiscal debate as a site of contestation where alternative views of political economy were formulated. In popular Free Trade before the Great War some beliefs and values, like internationalism and opposition to militarism and aristocratic privilege, overlapped and assisted collaboration, but there were also new trends pulling new political groups and social ideas away from inherited traditions. The following section focuses on some of these new voices within the ‘new’ liberalism and the labour movement.

In the “new liberal” writings of J. A. Hobson the economic critique of the market pointed towards the social ideal of the ‘citizen-consumer’. For him, the ‘unearned surplus’ exposed the notion that competition benefited the consuming public as a myth of Manchesterite traders. This economic critique was embedded in an interesting historical sociology of modernity. For Hobson the evolution of unreformed capitalism pointed towards the end of liberal civilization. It promoted a growing division of labour, bureaucratisation, commercialisation, the standardisation of human mind and body, and a widening separation of home from work, family from labour, and individual from community: civil society was in danger of being turned into mass society.

By fusing historical economics and Ruskinian romanticism, this ‘new liberal’ critique of “modernization” transcended an older liberal equation between “civilization” and the progress of commerce and restored a more ambivalent relationship that had informed many eighteenth-

²⁹ Eugenio F. Biagini, Alastair J. Reid (eds.), Currents of Radicalism: Popular Radicalism, Organised Labour and Party Politics in Britain, 1850-1914 (Cambridge, 1991); see also the references in n. 12 above.

century observers like Ferguson.³⁰ Free Trade was defined as a collective, social arrangement, part of an 'organic' new order, fostering a 'social will' amongst individual citizens that would help them to replace a culture of selfish individualism with considerations of community, reciprocity, and welfare. Rather than a benign agent of individual interest, trade fostered other-regarding "higher" interests that reconciled societal and individual needs. Divorced from what Hobson saw as the producer-orientation of classical economics, Free Trade and the redistribution of 'unearned income' would allow for the development of qualitative (rather than quantitative) consumption. 'Everything in human progress will be found to depend upon a progressive realisation of the nature of good "consumption"'.³¹ Turning the consumer from a passive object into an active citizen -- educating a 'citizen-consumer' in Hobson's words -- would reverse an advancing division of labour and strengthen "organic" human relations over bureaucratic or materialist ones. The arts of consumption and production, leisure and work, would be reunited, replacing the 'spirit of machinery' with that of human consciousness, 'individual thought, feeling, [and] effort'. The resulting 'increased regard for quality of life' would make it possible to 'escape the moral maladies arising from competition'. Indeed, it would transform the competitive aspect of the market into one of 'generous rivalry in co-operation'.³² By raising more community-minded individuals, "higher" consumption functioned as an enlightenment agency weaving together new bands of civic life and activating democratic sensibilities weakened by industrial mass production.

³⁰ Cf. Ferguson's warning against some of the 'ultimate effects' of commercial progress and the 'separation of professions' to 'break the bands of society, to substitute form in place of ingenuity, and to withdraw individuals from the common scene of occupation, on which the sentiments of the heart, and the mind, are most happily employed.' *Civil Society*, pp. 206f. Hobson would have added that it deprived individuals of a "social conscience" and the "social will" to participate actively in civil and political life. For his critique of an excessive division of labour and the replacement of quality by quantity, see *Evolution of Modern Capitalism* (London, 1894), pp. 365 ff.; *Work and Wealth: A Human Valuation* (London, 1914), with particular emphasis on Ruskin.

³¹ Hobson, *Evolution of Modern Capitalism* (1897 edn), p. 380; pp. 368 ff. for the following. Hobson's critical analysis of the dehumanising transformation of the consumer into a passive object and the anti-enlightenment effects of an industrial mass production of standardised wants, conformity, and routine behaviour anticipates some aspects of more famous, subsequent attacks on "culture industry" by Adorno and Horkheimer, cf. Theodor W. Adorno 'Culture industry reconsidered', *New German Critique*, VI (1975), 12-19.

³² *Evolution of Modern Capitalism*, pp. 368 ff., 377. Hobson was not alone in combining an advocacy of Free Trade with a critique of free market society. For a similar critique of the 'spirit of competition', see L. T. Hobhouse, *The Labour Movement* (1893).

From a comparative perspective, the emphasis on civic consumption was a striking development. It can be understood as an alternative utopian language that contrasts with the better known productivist-mechanistic vision of labour power prominent abroad, which informed German social liberals, like Friedrich Naumann, fascinated by corporate industrialism, as well as Karl Marx and Frederick Taylor. These latter discourses shared a modernist vision of stripping labour of its cultural and social dimensions for the sake of a productivist ‘calculus’. The project of organizing the world of labour was premised on its extraction from the worlds of civil society and politics. ‘Standing above the titanic struggle of classes, its social vision comprised a concept of work expunged of all political and social experience’, as Rabinbach has explained.³³ Hobson’s utopia of social harmony looked instead to an organic reintegration of moral, social, and political elements by fusing the consumptive and productive sides of human activity. Instead of being stabilised by keeping politics out, social harmony would be safeguarded by fostering those features and habits of civil society that would replenish the liberal polity with responsible, participatory citizens.

With the exception of a few trades considered suitable for standardised mass production, this new liberal vision of a progressive Free Trade society looked towards a network of small workshops and intimate firms drawing on artistic skills and catering to a plurality of tastes.³⁴ ‘Scientific management’ of the type advertised by Taylor was considered wasteful and alienating. As Hobson elaborated in *Work and Wealth* on the eve of the first “modern” war, any gains from standardized productivity would be short-lived and outweighed by the loss of ‘factors of human value [...] initiative, interest, variation, experiment, and personal responsibility.’ It tended towards ‘automatism’, ‘drudgery’, ‘regimentation’. It would create a generation of ‘motor-men’.

Anson Rabinbach, *The Human Motor: Energy, Fatigue, and the Origins of Modernity* (Berkeley, 1990), p. 205. See also Charles S. Maier ‘Between Taylorism and Technocracy: European Ideologies and the Vision of Industrial Productivity in the 1920s’, *In Search of Stability: Explorations in Historical Political Economy* (Cambridge, 1987), ch.1. Cf. Stefan-Georg Schnorr, *Liberalismus zwischen 19. und 20. Jahrhundert: Reformulierung liberaler politischer Theorie in Deutschland und England am Beispiel von Friedrich Naumann und Leonard T. Hobhouse* (Baden-Baden, 1990); Dieter Langewiesche, *Liberalismus in Deutschland* (Frankfurt a. M., 1988), pp. 187-227.

³⁴ It might be noted that this social ideal echoed older radical assumptions. As John Keane has suggested, ‘Paine ignores Ferguson’s fear of the loss of public spirit due to the growth of commerce and manufactures, apparently because he assumes the existence of a mainly pre-industrial economy based on perfect competition among small propertied worker-entrepreneurs’, Keane (ed.) *Civil Society and the State*, p.48.

Hobson's worries about a standardizing producer were reinforced by his fears about a future 'standardised consumer' created by scientific management. It was through the transformation of consumption that a technocratic system would ultimately erode a liberal society. A modernist nightmare presented itself:

the 'scientific manager'...with the assistance of the bio-psychologist...would discover and prescribe the precise combination of foods, the most hygienic clothing and housing, the most appropriate recreations and the 'best books' for each class, with a view to the productive efficiency of its members. He would encourage by bonuses eugenic, and discourage by fines dysgenic marriages among his employees.³⁵

To connect this pessimistic appraisal of 'modernization' to fears of an irreparable separation of the consumptive and productive elements of humanity also helps us better understand widespread cultural anxieties about the decline of civilization. Technocratic management and productivist ideals were so threatening precisely because they were identified as part of a broader trend away from individual freedom and social union towards moral degeneration and social collapse, exposing numbed, vulnerable individuals to the power of the jingoist mass media and 'degenerate' commercial leisure.³⁶ The moral dispositions of educated, liberal, and responsible citizens in an advancing mass democracy were at risk.

Interestingly, in his advocacy of Free Trade Hobson's invoked the metaphor of the socially minded consumer rather than the older liberal one of the capitalist trader as an agent of peace.³⁷ This shift in the social meaning of Free Trade did of course not prevent 'new' liberals from co-operating with traditional Cobdenites or from idolising Cobden as 'the international man'; Hobson chose the latter as the subtitle for his 1919 biography while Hobhouse served as the first secretary of the Free Trade Union in 1903-4. Yet the tendency amongst recent historians to repeat such elements as evidence of continuity within radicalism and Cobdenism,³⁸ has inhibited a more critical

³⁵ J.A. Hobson, *Work and Wealth*, p.221; pp.212 ff. for the above. He completed this work in January 1914.

³⁶ In addition to Hobson's attack on jingoist media in *Imperialism: A Study* (1902), see also his attack on new mass sports as part of a 'new bastard culture', e.g. *Manchester Guardian*, 3 Feb.1900, and *Work and Wealth* ch.XI.

³⁷ Cf. Cobden "Protection of Commerce" (1836) in *The Political Writings of Richard Cobden*, (London, 1903), I, 217-259. The elevation of the trader into a gentle, pacific agent continued an eighteenth-century idea, see Hirschman, *Passions*, esp pp. 56 ff.

³⁸ Cf. the essays in Michael Freedon (ed.), *Reappraising J.A.Hobson: Humanism and Welfare* (London, 1990). A. C. Howe has provided recent evidence for the reproduction of images of Cobden after his death. It might be doubted whether these examples qualify as a public 'cult', especially when compared to the extent of contemporary political iconography surrounding Bismarck, Mazzini, Kossuth, or indeed Gladstone. The number of busts cannot

reevaluation of the ruptures and revisions that these ideas underwent in this period. For progressive Edwardians, like Hobson, the positive proclivities of Free Trade now rested in generating conscious, other-regarding qualities rather than in the unintended consequences of self-interested actions reconciled by the invisible hand. Naturally, this also left its mark on the nature of internationalism. Indeed, one reason why this strong social argument was possible, I would argue, was that freedom of trade did not appear inherently connected to a global economic regime promoting mass production, or to the growing disharmony between consumption and production following from regional specialisation. In contrast to the familiar economic argument for an advancing international division of labour, Free Trade for Hobson went hand in hand with a notion of 'social progress', in which international comparative advantage was qualified by the balanced development of the organic interests of humanity in a local environment:

There must be a progressive recognition of the true relations, between the products which can be most economically raised upon each portion of the soil, and the wholesome needs of mankind seeking the full harmonious development of their faculties in their given physical environment.³⁹

The young labour party entered the debate about liberal political economy with an ambiguous position. This combined an indictment of Britain's dependence on foreign trade and the commercialisation of social life with a defense of Free Trade, for the sake of international amity and social justice. Labour leaders rejected the paradigm of comparative advantage and the international division of labour. Philip Snowden's critique of Chamberlain's imperial tariff reform did not prevent him from offering national-economic views which went beyond the liberal outlook

resolve the issue of political, ideological continuity: representations by themselves do not tell us about their reception or their meaning. Analysis of the latter, I would argue, show historically evolving ideas and associations of Free Trade. It might be noted that a static construct of Cobden has also come under attack for his own time; for the changes in his internationalism, see Miles Taylor (ed.), *The European Diaries of Richard Cobden* (Aldershot, 1994).

³⁹ *Evolution of Modern Capitalism* (1897 edn.), p. 375. Significantly, Hobson did not address the problem how to reconcile Free Trade with the envisaged public control of those few concentrated industries which satisfied 'common routine wants' and tended towards monopoly. Note also the ambiguous treatment of the 'social meaning' of work at the local and international plane. In contrast to a more self-sufficient community, Hobson noted that 'the Dakota farmer, whose wheat will pass into an elevator in Chicago and after long travel will go to feed some unknown family in Glasgow or in Hamburg, can hardly be expected to have the same feeling for the social end which his tilling serves'. Yet before the war he did not problematize the potentially erosive effects that the growing 'intricacies of a world-wide system' and international specialisation assisted by Free Trade might have on local communities or internationalist feeling; *The Industrial System: An Inquiry Into Earned and Unearned Income* (1909), p.320. Moreover, as far as native societies were concerned, their community interests were to be subordinated to the interests of the international community if preventing free economic development.

[t]he idea of the Manchester School that we should devote ourselves to building up a foreign trade, that England should be the workshop of the world, was a mistake. *The tendency all over the world is for manufactures to settle down where the raw material is grown. Each country must devote itself to developing its natural resources.* This is the new policy we must adopt.⁴⁰

Even within the internationalist upbringing of radical Labourites rifts emerged. In the party's official Labour and the Empire, Ramsay MacDonald in 1907 offered a forceful critique of the older link between civilization and freedom of commerce. Far from being a benign force, commerce undermined native societies. Instead of Western civilization through Free Trade, he demanded the protection of the native from 'the blighting exploitation of white men's capitalism'. Obstacles need to be put in the path of commerce to prevent 'the break-up of his tribal economic system'.⁴¹

It is equally problematic to relate the broader success of Free Trade to new 'modernizing' ideas. For Liberal party leaders, the economy was a self-regulating if imperfect system, largely differentiated from society and polity, and as such not accessible to the knowledge of outside agents like politicians.⁴² Lloyd George, when president of the board of trade, tellingly compared the economy to the weather, equally 'difficult to understand and appreciate. All you know is that it is like the tide'.⁴³ This image of complementary but separate systems helps to explain what

⁴⁰ The Platform, No.103, 20 June 1903, 'An Imperial Zollverein', repr. from I.L.P. News, my emphasis; see also, Chamberlain Bubble, 16. For a fuller discussion, see Frank Trentmann 'Wealth versus Welfare: the British Left between Free Trade and National Political Economy', Historical Research, LXX (1997), 70-98.

⁴¹ Labour and the Empire (London, 1907), 102. For the role of the Boer War in this development, see Marquand, MacDonald, pp. 64 ff. F. M. Leventhal, The Last Dissenter: H.N. Brailsford and His World (Oxford, 1985), ch. v.

⁴² This is not the place for an extensive discussion. It might be noted, however, that Herbert Gladstone's works proposal for dealing with cyclical unemployment, for example, quickly encountered scepticism, because they failed to meet the accepted economic criteria that works would become 'reproductive' – except afforestation. Schemes for technical education by Haldane or canal reform by Brunner targeted the infrastructure, not the mechanism of the economy, and as such did not go beyond the revised presentation of Free Trade given by J.S. Mill half a century earlier. Asquith to Campbell-Bannerman, 1 Jan. 1905; Spencer to Campbell-Bannerman, 16 Dec. 1904, B.L., Campbell-Bannerman papers, MS 41,210; MS 41,229.

⁴³ House of Lords Record Office, Lloyd George MSS, B/4/1/3, 22 Dec, 1905 speech at Bangor. Cf. also n.19 above. Kenneth O. Morgan has recently re-emphasised the influence of Germany on Lloyd George and presented him as a fellow 'modernizer', Historical Journal, XXXIX (Sept. 1996). While there is some truth to this, especially for social reform after 1908, it is equally important to not lose sight of the highly selective nature of these influences. During the Edwardian fiscal controversy Lloyd George's views on political economy were predominantly "radical" and showed few signs of "modernization"; his enthusiasm for excluding business associations from politics was as strong as that for land reform. Indeed, in pre-war political culture his public speeches helped to cement notions of continental political economy as reactionary misdevelopment; cf. n.21 above. For Lloyd George's distorted view of

appears paradoxical from contemporary assumptions. For it made it possible in the public debate to separate out the social function of Free Trade, indeed, made it difficult to conceptualise it as part of a transfer system assisting the subordination of society to the imperatives and culture of the market -- in the very period when capitalism penetrated society more freely than at any time since.

IV

While defended for maximising wealth, Free Trade represented no surrender to market culture. Instead it appeared as an arrangement that would bolster civil society's immune powers against economization. This civil society-oriented conception, not just material interests, formed an essential background to Free Trade's appropriation by emancipatory popular politics. Putting civil society back as a subject and category of historical interpretation is therefore an essential step towards a better understanding of Free Trade and political culture in Victorian and Edwardian Britain. We have already noted the connections contemporaries drew between Free Trade and a rich associational life and, in the case of Hobson, with pluralistic citizen-consumers. Two related sets of questions can now be opened up for further inquiry. What exactly were the moral dispositions that were associated with Free Trade, and what does this reveal about the assumed nature and future of civil society? Second, what was the relationship between civil society and liberal polity embedded in these assumptions?

Until the First World War, Free Trade was widely believed to protect society from new forms of economic concentration, social oligarchy, and plutocratic power. To both popular liberals and Treasury officials within the state combinations, trusts, and cartels were simply unviable political creatures with no possible footing in an open liberal economy.⁴⁴ This was one background to the radical identification of Free Trade with the cause of 'the people' and 'toilers' -- and its dissociation from capitalist elites. When the *Daily News* advertised the foundation of The People's League Against Protection in December 1903, it typically contrasted the populist

German social insurance, esp. its presumed centralization, see E.P.Hennock, *British Social Reforms and German Precedents: The Case of Social Insurance, 1880-1914* (Oxford, 1987).

⁴⁴ This was part of the Treasury argument rejecting the need for any policy measures against foreign price combinations or dumping, e.g. P.R.O. Cab 37/66 'The Fiscal Problem', 25. Aug. 1903.

nature of Free Trade with the protectionist habitat of 'Park-lane millionaires...and the wire-pullers of Trusts' in America.⁴⁵ In fact, Free Trade was seen as checking the materialist and individualist traits of capitalist society. To the old liberal Hugh Bell, an iron and steel industrialist himself, the U.S.A. typified the social degeneration following naturally from tariffs: 'I do not desire to have a crop of millionaires; I do not wish for a population striving for wealth at any cost'.⁴⁶ Free Trade was associated with an ideal of social harmony based on virtues of moderation and reciprocity, not yet with the profit motive of the corporate firm. Protection, G. K. Chesterton warned, was a 'new creed of materialism run mad'. A combination of Free Trade and land reform, the Daily News told its liberal readers, was the only way to save the nation from 'decadence', the social anaemia of the cities, and 'racial decay'.⁴⁷

Instead of turning society into an arena of self-interested individuals, Free Trade was seen as creating social solidarities. By preventing hidden fiscal hand-outs to "rent-seeking" groups, it guaranteed open "visible" relations, both between members of society and between them and the state, especially in the explosive areas of taxation and food distribution; protection was 'a force making for social disintegration' because it produced speculators, the editor of the Hungry Forties warned readers.⁴⁸ One reason for the unpopularity of Chamberlain's proposal to spend part of the tariff revenue on old age pensions was that it would have introduced a dangerous invisibility into state-societal relations. It was feared that redistributing public income towards particular trades and divorcing the individual taxpayer's sacrifice from its social uses would produce an avalanche of selfish demands, a universal lack of responsibility amongst its citizens, and a crisis of ungovernability -- a diagnosis not so dissimilar from recent critiques of the welfare state.⁴⁹

⁴⁵ Daily News, 19 Dec. 1903, 10. The People's League Against Protection was started by popular radicals, liberals, and labourites to organize workers in the aftermath of the Dulwich and Lewisham by-elections. Its president was W. C. Steadman of the London County Council, its vice-presidents included the M.P.s James Bryce and John Wilson, its executive committee Councillor Barrass of the Amalgamated Society of Toolmakers, Engineers and Machinists, and H. A. Fuller, the secretary of the Metropolitan Radical Federation. It also included men like G.K. Chesterton.

⁴⁶ H. Bell in Harold Cox (ed.), British Industries under Free Trade: Essays by Experts (London, 1904), p. 282.

⁴⁷ G.K. Chesterton, Daily News, 18 July 1903. Daily News, 7 July 1903, 6.

⁴⁸ Cobden Unwin, Hungry Forties, p.150.

⁴⁹ Cf. Pierre Rosanvallon 'The decline of social visibility', Civil Society and the State, pp. 199-220.

But Free Trade was also understood as a social agency more directly fostering mutual assistance, reciprocity, and civic-mindedness. One manual worker concluded his memories of the “Hungry Forties” with a denunciation of protection as ‘an immoral policy because it substitutes “Do unto others as they do unto you,” for the Golden Rule, “Do unto others as ye would they SHOULD do unto you.”’⁵⁰ The collective belief in Free Trade as an indispensable catalyst of the right moral dispositions was important, not least because it helped to overcome the “free-rider problem” for the political movement. Bertrand Russell, to take an upper class example, saw the fiscal issue as a ‘chiefly moral’ one and began a long career in political activism in 1903 feeling ‘that morally England is on trial’.⁵¹ Free Trade improved the character of citizens. It was an educational force; Hobson’s citizen-consumer, discussed earlier, was one such ideal product of civic education. International amity was the highest ultimate result of this civilizing influence, creating feelings of tolerance towards fellow human beings abroad as well as at home. Divorced from qualities of self-interest in economic relations, Free Trade in social relations was a dynamic force moving the world towards a higher collective conscience; of course, this belief remained interwoven with a nationalist faith in Britain’s providential ‘leadership of human race’.⁵² The prominent references to a concern for the poor, the cheap loaf, and the Sermon on the Mount, reflected this distinctive vision of social solidarity. It had less to do with a positive view of the market than with a positive understanding of civil society, in which Free Trade helped to widen and deepen areas of public-spirited citizenship, social service and autonomy. Popular political economy therefore can be seen as a complement to aspects in social thought, recently highlighted by Jose Harris, in which social reform functioned as a form of ethical exchange involving personal

⁵⁰ William Glazier in *Hungry Forties*, p. 212.

⁵¹ *The Selected Letters of Bertrand Russell, I: The Private Years, 1884-1914*, ed. N. Griffin (London, 1992), p. 273.

⁵² In Lloyd George’s words at a mass rally in Aberdeen: ‘Providence has selected the people – the people [who] inhabit these islands – from amongst the peoples of the earth to carry through to victory this one idea [Free Trade], the banner of freedom in [sic] commerce, brotherhood through commerce, and good will through commerce’, 13 Nov. 1903, House of Lords Record Office, Lloyd George MSS, A/11/2.

relationships embedded in secondary associations and voluntarist agencies, promoting not only material welfare but active independent citizenship.⁵³

This had implications for the scope and substance of democratization. There is a symmetry between the relative autonomy envisaged between civil society and the economy and between civil society and the political system. To favour Free Trade meant to favour the institutional separation of politics from society: political reform before the First World War focused on territorial representation and universal suffrage and largely precluded functional representation. This reflected, partly, a constitutional fear of special interests. But it also mirrored a constructive view of society as a terrain and target of democratization. Free Trade provided a setting for society to act on and reform itself in a way that would strengthen liberal democracy.⁵⁴ We have noted earlier the strong belief in a quasi-automatic congruence between liberal political economy and associational life. This could be tied directly to a Tocquevillian notion of civil society as ‘schools of democracy’, leaving a space for secondary associations to inculcate their members with the civic habits of cooperation, reciprocity, and responsible action. In her contribution to the popular 1903 collection *Labour and Protection*, the co-operator Rosalind Nash concluded her attack on tariffs with a celebration of the democratizing role of co-operatives under Free Trade:

Co-operation is in fact democracy in action, and apart from its economic achievements it forms a training-ground in the democratic qualities which the ballot-box demands—disinterestedness, forbearance, confidence, the capacity for responsible action and judgment. Can anything be more valuable to a democratic State than a movement which guarantees to a great mass of the people some share, at any rate, in every economic advance, and which amply repays its successive gains by political and municipal service, and by an extension of its missionary work amongst the poor, not to speak of the larger and happier range of life, and the gain to character which it brings to the individual?⁵⁵

As a normative conception of the politics of civil society, Free Trade can be seen to anticipate some features that have been recently highlighted as characteristic of ‘new social movements’. It combined a ‘politics of identity’ and a ‘politics of influence’, in contrast to a

⁵³ Cf. Jose Harris ‘Political Thought and the Welfare State 1870–1940: An Intellectual Framework for British Social Policy’, *Past and Present*, 135 (1992), 116–141; Schnorr, *Liberalismus: Naumann und Hobhouse*, pp. 431 ff.

⁵⁴ It will be apparent that this is the very reverse of contemporary movements’ critique of Free Trade for eroding social and democratic networks.

⁵⁵ Rosalind Nash, ‘The Co-operative Housewife’, *Labour and Protection*, pp. 203 f.

strategy of capturing the political or economic system directly by means of interest aggregation.⁵⁶ It helped society to act on itself, assisting the formation of new social norms and solidarities, on the one hand, and extending spheres of public discussion and civic involvement, on the other. Like the closely related Edwardian peace movement, Free Trade understood itself as enhancing civil society's influence on political life from the outside by educating and mobilising public opinion and raising the 'standard of public life'. In this fashion, it could present itself as an extra-institutional forum of political influence for the unrepresented "consumer" interest.

The Free Trade politics of civil society was no unmixed democratic success, however. The "consumer" interest was defined by moral and gendered assumptions which limited Free Trade's emancipatory horizon. On the one hand, the fiscal controversy created a forum for political action by disenfranchised women. Both as activists and symbols, women created a link between domestic anxieties about higher prices and fears about 'corrupt public life', in the words of the Women's Cooperative Guild.⁵⁷ Edwardian posters showing a conservative Chancellor of the Exchequer invading a poor woman's home highlighted the importance of Free Trade to the autonomy of the private sphere from interference by the state.⁵⁸ Already in the early-Victorian movement for the repeal of the corn laws, women had played a political role as extra-parliamentary representatives of a "virtuous" private sphere.⁵⁹ Now in the Edwardian campaign bodies like the Women's Co-operative Guild, with over 360 branches and 18, 000 members pushed the domestic side of Free Trade into the public sphere, linking it directly to demands for enfranchisement.⁶⁰ On the other

⁵⁶ Cohen, Arato, *Civil Society*, esp. chs. 10, 11. As opposed to a mere strategy of power or 'politics of inclusion', such as through constitutional reform and representation, a 'politics of influence' is here defined as aiming at 'altering the universe of political discourse to accommodate new need-interpretations, new identities, and new norms', p. 526.

⁵⁷ Women's Cooperative Guild, annual congress, 1903, cit. *Bolton Co-operative Record*, XIV, 8 (Aug. 1903), 22f.

⁵⁸ B.L.P.E.S., Coll. Misc. 519, poster 46. Ansten Chamberlain threatened a tax on tea and sugar if not able to tax bread. Note the picture of Gladstone on the wall.

⁵⁹ See A. Tyrrell "Woman's Mission" and Pressure Group Politics in Britain (1825-60), *Bulletin of John Rylands University Library*, 63 (1980), 194-230; M. Pugh, 'Women, Food and Politics, 1880-1930', *History Today*, 41 (1991), 14-20.

⁶⁰ *Manchester and Salford Co-operative Herald*, Dec. 1903, p. 199, a demand also issued by the speaker of the Women's Free Trade Union, Alison Garland. In addition to holding rallies, the Guild sent Free Trade resolutions to MPs, *Souvenir of Co-operative Congress at Stratford* (Manchester, 1904), pp. 68 f. Its members were largely wives of artisans and skilled labourers, see Miss Llewelyn Davies cit. Jean Gaffin, David Thomas, *Caring & Sharing: The Centenary History of the Co-operative Women's Guild* (Manchester, 1983), p. 20.

hand, women's role in Free Trade politics remained mainly that of the housewife; even women activists rarely referred to women as workers or individual consumers. Annie Esplin of the Free Trade Union stressed that tariffs in Germany undermined the stability of the family by forcing married women into the workforce to their own and their children's detriment.⁶¹ The progressive liberal vision also remained strongly gendered. After all, industrial modernity was condemned by Hobson for breaking up the female domain of the household and pulling women into the world of work, thus corrupting "female" skills and senses. 'The exigencies of factory life are inconsistent with the position of a good mother, a good wife, or the maker of a home.'⁶² While the development of "good" consumption explicitly aimed at replacing the routine of mass production with more creative and fulfilling artistic tasks like carpentry, the anticipated closer union of work and leisure remained largely a male preserve. It was predicated on a more pronounced division between female and male spheres to restore those "female" caring qualities necessary for family life and the British race.⁶³

It may therefore be not surprising that Free Traders had little sympathy with the expansion of the mass consumer culture of the department store, commercial advertising, sports, and public entertainment, which had gathered pace since the 1870s. Rather than appreciating the opportunities which mass leisure or shopping offered individuals for exploring their selves and creating new group identities,⁶⁴ Hobson condemned them as the breeding grounds for a 'new bastard culture' driven by selfish materialism and undermining family life, civic associations, and the bonds of moral cohesion between individuals generally. Free Traders' ideal of intimate civil society was distinctly hostile to new consumerist spaces of the public sphere which were condemned as the dangerous outgrowth of anonymous mass-production and a new feudal culture

⁶¹ Free trade Union. Tales of the Tariff Trippers: an Exposure of the Tariff Reform Tours in Germany. With information from Authoritative Sources (London July 1910), 50 f.

⁶² Hobson, Evolution of Modern Capitalism (1897 edn), p. 320.

⁶³ Hobson blamed unfit parenting on economic pressures forcing women into marriage. While he supported greater economic freedom for women, his ideal remained that of a 'complete home life', which, he thought, would guarantee the highest birth rate in families with the highest physical and mental qualities; Work and Wealth, pp. 318f.

⁶⁴ Judith R. Walkowitz, City of Dreadful Delight: Narratives of Sexual Danger in Late-Victorian London (Chicago, 1992), esp. pp. 46 ff. Cf. Pierre Bourdieu, Distinction: A Social Critique of the Judgement of Taste (1984, 1st edn. 1979).

of conspicuous consumption.⁶⁵ Mrs. Bury, a prominent co-operator and the Poor Law Guardian for Darwen, explained the conflict between mass leisure and the public interest more simply. 'Free Trade', she explained in a public lecture in 1903, 'was an everyday question to the wives and mothers of England; and if their sons would devote as much time to the study of the history of the past fifty years as they now do to football and other athletic games, a better judgement of fiscal arrangements was possible.'⁶⁶ While Free Trade invoked the rights of the consumer, therefore, it remained anchored in a limited concern with necessities and "the people's food" rather than with the unlimited freedom of choice of the individual to explore and fulfil new desires in the expanding public sphere of mass consumption.

Moreover, the particular nature of "identity" and "influence" favoured by Edwardian radical and liberal groups set clear limits to the further democratization of state and economy. The 'politics of influence' remained tied to the parliamentary representation of an organic public interest. The emancipatory force of Free Trade in creating social solidarities and spaces, such as the co-operatives, targeted civil society itself. As the cooperative vision of raising citizens illustrates, this was a view of political education which was rooted in associational practices within civil society, not in any institutional connection with the state. While these practices were seen as buttressing a 'democratic state', the relationship was conceptualized as a 'repayment' of a democratic and social capital that originated within associations outside the political system. By equating the public interest with the indivisible consumer, Free Trade cemented a view of other social interests as factional forces from which the political system needed to be insulated. The language of Free Trade reinforced a concept of civil society defined in terms of institutional distance. While Free Traders would split over the question of voluntary and compulsory principles in Edwardian social legislation,⁶⁷ there was not yet support for constructing more direct

⁶⁵ Hobson, *Work and Wealth*, Chs.IX-XI. The 'degradation of standards of consumption' (p.136) was one of Hobson's principal concerns and linked to the growing separation of productive and consumptive activities in modern society and the increasing power of producers to impose new desires and corrupt wants through a combination of advertisement and adulteration.

⁶⁶ *The Manchester and Salford Co-operative Herald*, Dec. 1903, p.201; the lecture had been given on 20 Oct. 1903.

⁶⁷ These divisions cut across party lines. One victim was the Unionist Free Trade Club. One group of members, led by Pollock, wished to have nothing to do with 'that clique of prigs' around Strachey and Cox, the former Cobden Club secretary, and expressed 'no sympathy with their fussing over fossilized individualism and calling it the

institutional bridges between state and civil society, whether by directly assisting social self-organization or by opening up the political system to the needs and interests of particular social groups. Civil society and liberal polity were congruent: under the sheltering umbrella of Free Trade, they flourished naturally, without direct support from or institutional links to the state.

The defence of the economy as an autonomous system put economic policy (and its social consequences) beyond the democratic scope of direct political participation. This made the paradigm of “the consumer” especially appealing to groups in the British state, as symbolized by the Treasury doctrine of taxation for revenue only to protect the freedom of all consumers alike. By equating public and consumer interests, Free Trade spoke not only to ‘toilers’ and ‘mothers’ but also to entrenched interests seeking to preserve the autonomy of the political from the claims of social groups. It was thus also able to serve an elite vision of politics that inverted the radical link to participatory democracy. For Robert Cecil, as for many other conservative Free Traders, the most deplorable aspects of Chamberlain’s tariff reform were political not economic; in fact he did not rule out some protectionist measures to raise revenue. Tariff reform threatened to replace the role of public-minded representatives and independent men by a politics of ‘shibboleths & excommunication’ by an ‘impulsive and unscrupulous demagogue... a theory of politics which would soon drive all self-respecting persons to other pursuits. It is American Bossism in its worst form’.⁶⁸ Free Trade sheltered a political system based on parliamentary deliberation and elite representation of public interests from the direct influence of social interests. Thanks to the separation between civil society and political society, Edwardian Free Trade was able to offer a home for both conservative elite and pluralist democratic ideas.

V

The decade after the First World War saw the dissociation between civil society and Free Trade. This was a complex process rather than a linear one. The defeat of protection at the 1923 election

defence of personal liberty and responsibility.’ National Library of Scotland, Elliot MS 19497, F. Pollock to A. Elliot, 9 Feb. 1910.

⁶⁸ Robert Cecil to Edward Clarke, 29 May 1906, B.L., Cecil MS 51158. To Arthur Elliot, a leading Unionist Free Trader, Parliament was ‘the authorized exponent of the National Will’, threatened by tariff reform and social reform alike, Elliot to Dicey 11 Dec. 1912, National Library of Scotland (Edinburgh), Elliot MS 19567.

briefly confirmed liberal hopes that Free Trade could be revived as a popular ideology. This proved an illusion. For while the workings of party politics delayed the introduction of a general tariff until 1931, Free Trade was gradually losing its social and cultural support. Its agitational network never recovered from the war. The Cobden Club suffered a haemorrhage of members.⁶⁹ The fate of the Free Trade Union reflected the split in the Liberal party, as some of its leaders, like its former treasurer Alfred Mond, now questioned the subordination of producer to consumer and supported the moderately protectionist “safeguarding of key industries”. By the world depression, Free Trade was no longer at the core of the collective identity of radical, labour, or cooperative movements. “1846”, that symbolic marker of the end of an era of repression and poverty and the birth of liberty and progress, disappeared from the centre of historical memory and public debate. It receded into history books, now just one event amongst many. While the term “the hungry forties” did not suddenly disappear, it no longer resonated with the liberal memory of Repeal and its heroes. By the time of ‘the slump’, the ‘hungry forties’ came to represent the memory of Chartism and Christian socialism. Tellingly, in plays of that name, a guest appearance was made by Friedrich Engels not Richard Cobden.⁷⁰ The Cobdenite cause fell to smaller and more isolated groups, like a handful of economists around William Beveridge, the anti-collectivist ‘Friends of Economy’, and Ernest Benn’s Individualist Bookshop.⁷¹ Here, Free Trade became associated with “individualism”, heralding the marginalization of an idea formerly at the heart of popular emancipatory politics and concepts of civil society, and its appropriation by libertarian individualists and conservative free-marketeers. Freedom of trade became deflated into a matter for economic theory, think tanks, and economic diplomacy.

The introduction of the general tariff in 1931 signalled Free Trade’s final loss of its ‘civilizing’ function in public politics. This marked the end, not only of a policy regime but also of

⁶⁹ West Sussex Record Office, Cobden MS 1197, Cobden Club subscription book, note the high number of resignations in 1921; Cobden MS 1190: general meetings 1926, 1934 stressed the importance of adding new members ‘if possible younger ones’.

⁷⁰ Mary D. Stocks, *Doctor Scholefield: An Incident of the Hungry Forties* (Manchester, 1936); Lilian Dalton, *Sons of Want: A Story of The Hungry ‘Forties* (London, 1930).

⁷¹ William Beveridge (ed.), *Tariffs: the Case Examined* (London, 1931); Deryck Abel, *Ernest Benn: Counsel for Liberty* (London, 1960); Richard Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931-1983* (London, 1994).

a chapter in the history of civil society. One dimension of this process was the gradual dissociation of 'freedom of trade' from a belief in the relative autonomy of civil society from the capitalist economy. While the new Cooperative party, which came out of the war, continued to fight against profiteering, tariffs, and subsidies, it moved away from absolute opposition to trade regulation. 'We are living in an age of trusts and monopolies, and for good or ill they seem destined to remain', the Cooperative Congress was told by its president in 1923.⁷² The growing international power of corporations and combinations undermined the appeal of freedom of trade as a domestic shelter and catalyst for a co-operative society. Against the background of these globalizing tendencies, fears arose of "social dumping" and capital flight to cheap-labour countries. For relief the movement looked to the rationalisation of its own national network and the international pooling and equitable distribution of resources between agricultural and manufacturing societies. Above all, national trade regulation emerged as a desirable tool. By 1930, the movement advocated a monopoly import board for wheat and flour representing the state, producers, and consumers; two years later, it called for the nationalisation of vital industries and the development of home trade, a programme hoped to increase employment by lowering Britain's dependence on foreign trade and prohibiting sweated imports.⁷³ Some leaders like A.V. Alexander and J.T. Davies tried to sustain the wider vision of Free Trade, but had to acknowledge its declining popular resonance.⁷⁴ Once economic liberalism was linked to corporate monopolies, "social"

⁷² Robert Stewart, *Inaugural Address, Co-operative Union* (Manchester, 1923), p.9. For the ultimate goal of pooling the surpluses of trade, see Miss M. Llewelyn Davies, *Inaugural Address, Co-operative Union* (Manchester, 1922), p. 14; by what mechanism and principle surpluses would be divided between industrial and agricultural societies was left unclear.

⁷³ *Britain Reborn No.4: Buy British* (Manchester, 1932); J.H. Bingham 'Fundamentals of Planning', *The Co-operative Review*, VI, 35 (Sept. 1932), 206-10. Note, the editors also gave Mosley space to advertise his scheme for import control and commodity boards, 'Co-operators and the Manifesto', *ibid.*, V, 25 (Jan. 1931), 21-4. G.D.H.Cole, *A Century of Co-operation* (London, 1944), pp. 276 f.

⁷⁴ 'It is a very sad story of the sorry plight of a world which seems incapable of rousing itself, but co-operators make a very grave mistake by adopting an attitude which in effect professes to be one of no interest in fiscal questions at all, and imagine that without a clear conception of the ethics and efficiency of fiscal matters, the ultimate goal of the Co-operative Movement can be reached', J. T. Davis, *Free Trade and the Consumer* (Manchester, 1934), p.18; Davis had already warned of a shifting preoccupation with employment and Empire rather than Free Trade 'even amongst sane co-operators' in the earlier 1931 edn, p.3. A.V. Alexander, 'Tariffs and Quotas', *Co-operative Review*, VI, 31 (Jan. 1932), 7-10; Alexander had served as the first whip of the Cooperative party in 1922 and in 1923 held its first ministerial post as parliamentary secretary to the board of trade in the first Labour government.

dumping, and unemployment, it was difficult to imagine the cooperative commonwealth without import and price controls. To survive in an environment of international corporations, the co-operatives now looked beyond civil society to links with the state in matters of trade regulation. The pre-war ideological link between freedom of trade and the autonomy of civil society was loosened. The issue was no longer “civil society versus the state” but where to draw the precise balance between voluntary action and collaboration with the state.

To question the separation of economic and civil society was also to question whether Free Trade and social reform necessarily reinforced each other. By the time of the depression, the industrial labour movement, a former bastion of the opposition to tariffs, had moved towards conditional support for trade regulation to assist employment.⁷⁵ This was indicative of the more general popularity of trade regulation as a means of protecting civil society from the growing power of capitalist combinations. The experience of war controls had left their mark on the popular imagination and loosened the link between “cheap food” and “freedom of trade”. Free Trade’s moral hold on consumer politics was undermined. Inevitably, this process undermined the gendered connection between Free Trade and the interests of wives and mothers in radical politics. Within the women’s section of the labour party, a quarter of a million strong by the end of the ‘twenties, the call for ‘food for the people’ began to be echoed by demands for a food council to free the consumer from the grip of traders and profiteers. Instead of Free Trade, they now demanded the socialisation of the trade in wheat, meat, and milk, as well as a world council to co-ordinate international rationing.⁷⁶

The social-democratic promises associated with trade regulation emerged as a new way to think about politics and the economy. For many radicals it was a way out of the matrix of Free Trade politics which had largely managed to contain political economy as a party political struggle between liberal Free Trade and conservative Tariff Reform. The career of George Edwards may serve as a brief illustration of this learning process. Born the son of a farm worker in Norfolk in 1850, Edwards came to radical liberalism via a well travelled road: primitive methodism, rural

⁷⁵ [TUC] *Commonwealth Trade: A New Policy* (London, 1930).

⁷⁶ *Report of the Eighth National Conference of Labour Women*, 1927, pp. 57 ff.; *Report of the Tenth National Conference of Labour Women*, 1929, pp. 46 ff. Cf. labour women’s resolutions, *ILP Report*, 1927, app.6; ILP women’s charter, point 6, *ILP Report*, 1930.

trade unionism, and the study of political economy from Adam Smith to Henry George. After being defeated by Liberal opposition in his bid for the General County Council in 1892, however, he turned towards independent organizing on behalf of rural labour and land reform. It was the momentum of Edwardian fiscal politics that pulled him back towards collaboration with Liberals. He became a speaker and organizer for the Free Trade Union. During the war, Edwards began to question the privileged status of Free Trade politics and supported controls in agriculture. He finally joined the Labour party in 1918.⁷⁷ Trade controls were increasingly popular because they promised stable, remunerative prices and employment, checking speculators and fluctuations in supply and demand. Most ambitiously, in the programme of the Independent Labour Party, national import boards and price regulation ensured the redistribution of the national income to guarantee workers a “living wage”.⁷⁸ In important parts of the co-operative and labour movement, then, trade regulation took Free Trade’s place as an instrument for extending social rights.

These shifts were part of a broader reassessment of the relationship between civil society and political society, at the level of both international relations and democratization at home. In the course of the war internationalists adjusted their ideas from informal economic and ethical sources to new institutional structures. As L. T. Hobhouse remarked coldly at the height of human slaughter, ‘[t]he older internationalism, based on a belief in humanitarian ethics on the one hand, and the peaceful tendencies of commerce on the other, is dead’.⁷⁹ In post-war internationalism, freedom of trade was reduced from the central engine of peace into a helpful though insufficient precondition. In fact, it might encourage wasteful fluctuations and

⁷⁷ George Edwards, *From Crow-scaring to Westminster: An Autobiography* (London, 1922). He became Labour M.P. for South Norfolk in 1920. For radicalism amongst agricultural labourers, see Alun Howkins, *Poor Labouring Men: Rural Radicalism in Norfolk 1872-1923* (London, 1985); N. Scotland and A. Howe in *Citizenship and Community*, chs. 6, 8.

⁷⁸ *The Living Wage* (London, 1926). Import boards were prominent not only in Mosley’s New Party programme but also figured in the Labour Party programme advocated by Graham in Oct. 1931, *Report of the 31st Annual Conference* (1931). As one critic pointed out, the combination of import boards and anti-tariff made for an inconsistent electoral message: ‘[t]ell the electorate that you are free traders, and then tell them that you approve of the regulation of imports, and they will think you are either fools or knaves. In Russia, where they do some economic planning, they think that the Socialist free trader is the polite bourgeois name for a lunatic.’, Paul Reed, candidate Bodmin, p. 199. This paper is not concerned with policy-making, but it might be noted that even within the second Labour governments Snowden’s defense of fiscal orthodoxy did not prevent members from supporting the sugar subsidy and stabilisation of wheat prices.

⁷⁹ L. T. Hobhouse, *Questions of War and Peace* (1916), p. 189. For the response of new liberals to the war, see the excellent discussion in Peter Clarke, *Liberals and Social Democrats* (Cambridge, 1978), ch. 6.

international trusts, and called forth demands for the international rationing and regulation of key resources.⁸⁰ This was an especially important learning experience for ‘new internationalists’, like Alfred Zimmern and Arthur Salter, who served in war-time administration and became leading supporters of the League of Nations.

The crisis of the world economy in the ‘twenties kept alive in peace time the question whether Free Trade tended naturally to global welfare. ‘Unfortunately’, Hobson concluded in 1929 on the eve of the world depression, ‘this harmony has no more validity on the world scale than for smaller economic communities.’ Applying the model of domestic under-saving and unearned surplus to the global scale revealed an international distributive crisis that widened the gulf between rich and poor countries. ‘[T]he ideal “natural harmony” or [sic] interests’, Hobson warned, was not automatically achieved by trade but had to ‘become a conscious calculated policy’ of ‘organised economic internationalism’. In an age of international big business, Free Trade and social reform alone ceased to be a panacea. While it continued to invoke Cobden in the defense of the free movement of goods and persons, Hobson’s internationalism now advocated the treatment of global resources as ‘unitary world supplies’, allocated as in the war system of allied rationing not by ‘the arbitrary will of groups of exporters’ but according to a collectively administered ‘needs basis of distribution’. ‘Organized internationalism’ had become an application of the principles of domestic social reform, an ‘extension of the progressive principle of distribution of productive resources and products according to ability to use them’.⁸¹

Not all internationalists were ready to travel with Hobson all the way towards a super-national federation. Yet the use of some economic controls in the hands of the League to protect native societies, provide financial assistance, or punish aggressors was widely accepted amongst liberal and social democratic leaders as well as in the popular League of Nations Union. The pre-war faith in the symbiotic relationship between unilateralism and parliamentary liberty was weakened. After the experience of the blockade, the argument that societies were part of an

⁸⁰ See Frank Trentmann, ‘“The Strange Death of Free Trade: the Erosion of “Liberal Consensus” in Great Britain, c.1903-32’ in *Citizenship and Community*, pp. 236 ff.

⁸¹ J. A. Hobson, *Economics and Ethics: A Study in Social Values* (1929), pp. 403 ff. Note, he was close friends with C. D. Burns, who was thanked in the Feb. 1929 preface. Burns had been an advocate of extending inter-allied controls into the post-war period, see Bodleian Library (Oxford), Zimmern MS 80-1, Memo on a conference at Balliol College, Oxford, 28-30 Sept. 1918 considering Inter-Allied Economic Problems.

economic whole pointed to the need for an international organisation with powers of economic coercion. A permanent international organization had become imperative, Robert Cecil, the leading champion of the League, explained after the end of hostilities: the goal could no longer be the 'prevention of war' but the creation of an 'effective instrument of peace', an institutional structure allowing for conciliation and disarmament that would inspire respect for a legal code and the habit of arbitration.⁸² The ideal of an automatic congruence between Free Trade and a peaceful international order was abandoned. Whereas this older vision had been based on an opposition between pacific commercial civil societies and militant states (dominated by belligerent feudal elites), the 'new internationalism' carved out a space for the positive, constructive possibilities of state action and institutional cooperation, not least in the encouragement of pacific habits amongst both state leaders and the general public. Instead of invoking a natural harmony of interests that would unfold once obstacles to commerce were removed, internationalists like Cecil stressed a natural disharmony: antagonism between states could not be prevented from recurring, only defused by collective arrangements of arbitration and disarmament.⁸³ New internationalists, of course, did not fail to criticise the disruptive effects of protectionism. But as a positive force, free trade was subordinate to institutional mechanisms and the campaign for disarmament. As Gilbert Murray frankly acknowledged to Robert Cecil in 1930, the League's programme 'would not be Free Trade -- in fact in some detail it would definitely be regulated trade...-- but international cooperation in economic matters'.⁸⁴ By the time of the world depression its principles could be sacrificed for the cause of greater European cooperation.

There is a striking symmetry between the conceptual marginalization of freedom of trade in international and in domestic political discourse. In contrast to the paradigm which pictured the

⁸² B.L., Cecil MSS, MS 51162, Robert Cecil to J. H. Thomas, 23 Dec. 1918.

⁸³ 'It is just as impossible to remove the recurrence of controversy between nations as it is to prevent individuals from dispute and even quarrelling. It is bound to happen. Points of view are different, interests are different, cultures are different; and when these things come into collision some antagonism is certain to result'; 'Lord Cecil's address on the Secretary-General's Report', 16 July 1930, B.L., Cecil MSS, MS 51196.

⁸⁴ B.L., Cecil MSS, MS 51132, Gilbert Murray to Robert Cecil, 11 Oct. 1930. In the League of Nations Union the role of international economic co-operation and some members' leanings towards freer trade was relativised both by its bi-partisan nature and by Cecil's focus on disarmament. Cf. Donald S. Birn, *The League of Nations Union, 1918-1945* (Oxford, 1981), ch. IV. It had 400,000 members in 1931.

autonomy of civil society in terms of securing distance from the state a new generation of ideas and strategies was forming that explored ways of strengthening civil society and liberal polity by inserting supporting beams between these structures. Functional representation, guild socialism, and industrial parliaments were all products of this new generation of ideas, all seeking to extend democratic reform to the state and economy themselves. In the light of the growing concentration of labour and capital, many liberals revised the self-acting model of civil society as an independent nursery of democratic citizenship. While Hobson rejected vocational parliaments and G.D.H. Cole's social theory for atomising the harmony of human interests into separate functions,⁸⁵ his life-long ideal of preserving organic interests also looked towards new areas of democratization and institutional mediation. Hobson now doubted whether civil society on its own was a strong enough nursery of citizenship and public values to counter the drift towards bureaucracy, class and mass culture. The 'new industrial order' he saw emerging in 1922 blended state intervention, industrial democracy, and associations with public powers. A national industrial council composed of self-governing industries would deal with arbitration and standardisation of wages and working conditions. Because Hobson saw the failure of post-war reconstruction as a failure of effective demand and distribution, the relationship between consumers and the state assumed particular importance. Through the state 'citizen-consumers would be guaranteed full rights in the management of the economy. The state would act as 'economic adjuster' with veto powers over wages and profits. Rather than merely attaching to Westminster a parliament of producers, all of who performed only 'single economic functions', a 'consumers' State' was necessary, representing the more organic human interest of 'man ...as a consumer, [who] brings into personal unity and harmony the ends of all the economic functions.' Hobson's new social order envisaged a 'consumers' State' with executive and judicial powers

to direct the flow of new productive power into the several industrial channels, and to form a final court of appeal for the settlement of such conflicting claims and interests of the several industries or professions as cannot be adjusted by the unprincipled compromise or give or take of a purely functional assembly.'⁸⁶

⁸⁵ J. A. Hobson, *Incentives In The New Industrial Order* (London, 1922), pp. 147 ff.

⁸⁶ *Ibid.*, pp. 151 f.

The success of political, social, and economic reform, he concluded, all hinged on the democratic integration of citizen-consumers: it would 'largely depend upon the education of the general body of citizen-consumers and their willingness to give serious attention to the central processes of industrial government through an intelligently ordered state.'⁸⁷

How was this to be achieved? Before the war, Free Trade had offered itself as a safeguard of the public interest. It excluded social interests from the political sphere, on the one hand, and assigned the role of civic education to the separate sphere of civil society, on the other. This paradigm had implied a strong congruence between an active civil society and a strong liberal polity. Associations remained essential to preserving an organic community: '[b]ody and soul, man is made and sustained by association, and the process of civilization is nothing else than the progress of the arts of association.'⁸⁸ At the same time, Hobson noted that associations were 'not always a natural growth'. In their increasing modern complexity they had come in many ways to 'outstrip the capacity of men and women to develop a community sense adequate to the new demands.' As experiments in democracy, both the labour movement and the co-operatives were found to exhibit certain tendencies towards bureaucracy and putting the particular interests of members before the public welfare.⁸⁹ Civil society was no longer equipped to recreate its own structure based on intimate, voluntary associations fostering social reciprocity and individual responsibility. How, then, to recreate the 'community sense' essential to a liberal society and pluralistic polity? How to attain a greater symmetry between community, organic human interests, and democratic participation? Part of Hobson's answer was to extend public participation to a consumer-state and workshop democracy. The second part was to widen the scope for associations itself.

Associations would not operate merely within the limits of civil society, separate from state and economy, but were conceived as mediators between them, exercising public functions and assuming public responsibilities. Thus in his 1929 study of *Economics and Ethics*, Hobson

⁸⁷ Ibid., , p.160.

⁸⁸ *Economics and Ethics*, p.43.

⁸⁹ Ibid., pp. 135f.; cf. J. A. Hobson, *Economics and Ethics* (1929), p.381. Hobson here also warned of the danger that consumer interests might work at the expense of employees in co-operatives. Note, 'citizen-consumers' included both industrial and private ones.

significance from being an agent of either market or modernization. Quite the reverse, one reason for its popular strength was that it could be dissociated from market capitalism and linked to a vision of an expanding civil society. In short, taking the social and political ideas and expectations of popular Free Trade seriously helps us to go beyond the still-popular narrative of a struggle between free market capitalism and social rights, most brilliantly expounded by Polanyi.⁹⁴

To historicize Free Trade and emphasize its social vision and cultural assumptions allows for a more balanced and comparative interpretation of British liberalism in this period. Part of the inheritance of Free Trade culture was a belief in 'the purity of politics' that masked an institutional deficit, a limited view of democratic rights and of the possibilities of strengthening civil society through institutional reform of state and economy. In late nineteenth-century France and Germany, by contrast, tariffs were not only means of state power or social privilege. In the long run, it has been argued, they provided alternative means of democratic integration to excluded social groups and an institutional stepping stone towards the welfare state.⁹⁵ In Britain the new interest in trade regulation after the war was part of the rediscovery of political economy as an institutional and regulatory source of greater societal rights and democratic participation. This period saw the end of an overlapping consensus built around Free Trade and marked an important turning-point in modern British history. The post-war debate about trade eroded popular norms and ideas about the separation between civil society, the state, and a self-regulating economy and assisted the transition from economic laissez-faire to the Keynesian welfare state.

⁹⁴ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (1944).

⁹⁵ Alan Milward 'Tariffs as Constitutions', *The International Politics of Surplus Capacity: Competition for Market Shares in the World Recession*, eds. Susan Strange, Roger Tooze (London, 1981); Wehler, *Gesellschaftsgeschichte*, III, pp. 637-680.

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