The Year of the General Strike—and of The Living Wage

For the British Labour movement, 1926 would be remembered, above all, as the year of the General Strike. For the ILP, however, it would also be memorable for being the year that the policy variously called the “Living Wage,” “Living Income,” or “Socialism in Our Time” would at last be officially adopted. During the early months of the year, the policy was debated at all levels of the party, with Dollan reporting its unanimous endorsement by the Scottish divisional conference in January. A few months later, it would be endorsed in outline by the whole party at its Easter annual conference. The commission responsible for the report then set out to produce a final version in time for the Labour Party conference in the autumn.

The Living Wage Commission and Its Critics

Although, as we have seen, Clifford Allen had begun pressing for the adoption of a national Living Wage policy in 1924, he was not formally a member of the ILP commission. The authors of The Living Wage report were H. N. Brailsford, J. A. Hobson, A. Creech Jones, and E. F. Wise. They were all, as Paton later insisted, “men with a high sense of responsibility, wide knowledge, a good practical sense.” Wise’s background was that of a Cambridge-educated senior civil servant. During the First World War, he had been assistant director of Army Contracts and, later, second secretary to the Ministry of Food. He was the British representative on the Allies’ Supreme Economic Council. A committed cooperator, he was instrumental in re-establishing trade with Russia through the soon-to-be Bolshevikized union of consumer cooperatives, or Centrosoyus, for which he worked for a period. In 1929, the Manchester Co-operative Union would publish his Consumers’ Co-operation in Soviet Russia. He would be a Labour MP from 1929 to 1931.

Arthur Creech Jones shared with Wise both his civil service background and a later—but much longer—career as a Labour MP. His stance as a wartime
conscientious objector precluded his return to the civil service. In 1926, he was a national officer of the Transport and General Workers’ Union, formed a few years earlier by the amalgamation of several smaller unions. Hobson was, of course, well-known chiefly for his economic writings, while Brailsford, a distinguished journalist and writer since before the war, was still the editor of the *New Leader*.

The novelty of the commission’s report would lie not in its individual features but in their combination into a coherent strategy that the ILP, as the forward-looking nucleus, could offer to the Labour Party. Allen thought that the ILP should adopt the distinctive program, insisting that it could be pursued by the next Labour government—whether majority or minority.

Writing in the *New Leader* on New Year’s Day 1926, Brailsford was clear that there was nothing new about the main objective of the Living Wage project. It was only the proposal for children’s allowances that was not already “part of orthodox Labour doctrine.”

5 This part of the Living Wage, or Living Income, policy was to become the most controversial issue for the trade unions. But it was not a new idea either. Eleanor Rathbone’s book *The Disinherited Family* had appeared in 1924. Brailsford, characterized by Rathbone’s colleague and first biographer, Mary Stocks, as a “pioneer advocate of family allowances,” had worked with Rathbone during the war as part of what became her Family Endowment Committee.

Labour MP Hugh Dalton mentioned her book approvingly when he wrote to the *New Leader* disclaiming any intention of getting involved in the wider debate on the Living Wage issue but praising the advocacy of children’s allowances as a “bold proposal towards ‘distribution according to need’ on a vaster scale and over a wider range than we have hitherto attempted.” Rathbone herself contributed a long letter a few weeks later in which she registered her disagreement with both Dalton and the ILP for rejecting what she saw as “necessary stepping stones towards a State scheme.” Brailsford devoted that week’s editorial to discussing her views on a contributory system while supporting “Miss Rathbone’s plea for partial experiments, e.g. in supplementing teachers’ salaries.”

The children’s allowances proposals were to be incorporated in the new policy if separately approved by the ILP conference. In his article “Socialism in Our Generation: The ‘Living Wage’ as Lever,” in the New Year’s Day edition of the *New Leader*, Brailsford had explained that the allowances “varying with the number of persons in each household,” were to be seen as a means of supplementing working-class incomes, through direct taxation. He suggested that the Labour Party should propose a commission to fix a living wage as “the minimum standard of civilised existence.” It should not be deterred by
its minority position; the responsibility for rejecting the socialist measures proposed should be placed on Labour’s opponents. As well as Brailsford’s article, the first New Leader of 1926 featured an article by the Labour MP for Penistone, Rennie Smith, called “How Capitalism Kills Markets: The ‘Living Wage’ Means Work.”

The paper also marked the new year by publishing an ILP manifesto demand-ing what its title declared: “A Frontal Attack on Poverty.” The manifesto explained that “the I.L.P. sees in the ‘Living Wage’ a first demand for justice.” But logic, the manifesto argued, would lead rapidly to a socialist state. Prices must be controlled if any increases in money wages were not to be worthless. That meant a national banking system controlling credit, the nationalization of the import of raw materials and food, and, given the needs of industry for cheap transport and “mechanical power,” the “nationalisation as coordinated services of railways, mines and electrical generation.” This was to be accompanied by the reorganization of agriculture, the “public ownership of land,” and the “national organisation of the building industry and of the production of building materials.”

Promotion of the Living Wage policy relied not solely on words. From time to time, it would be the theme of a cartoon by “Flambo” on the front page of the Leader. In January, Flambo featured a picnicking family, threatened by black clouds marked “Hunger and Poverty,” taking shelter under a “Living Wage” umbrella, with the words “And we want it now” at the bottom. In April, the paper featured another Flambo cartoon, captioned “A ‘Living Wage’ Is So Bracing”—a play on the classic railway poster that promoted an English east coast resort town with the tag line “Skegness Is So Bracing.” Yet another, headed “The Living Wage Keeps the Wolf from the Door,” appeared in October.

But not everyone in the ILP was braced by the Living Wage proposal. An early critic was Ellen Wilkinson. The ILP may have intended the policy to be an “energising myth,” she wrote, but once it came to fixing it in “definite figures,” it would be equated with union-weakening trade boards that set rates in some low-wage industries and “set everyone quarrelling about the details of something that is a myth, and, as I believe, not even an energising myth.” Brailsford’s editorial response argued that the “chief novelty” of the policy was the “reversal of the usual order of thought.” The orthodox method was “to preach and enforce nationalisation first, trusting to its effects to bring about a better distribution of wealth.” Why, as Wilkinson’s page-long article had asked, “go to Birmingham by way of Beachy Head” like Chesterton’s “rolling English drunkard?” Responded Brailsford, “For the sound psychological reason, that to the average man the landscape of
Beachy Head is more attractive than Snow Hill”—one of the Birmingham railway stations.13

Nationalization was not the only means to a “good life” for which a living wage would provide a minimum basis, Brailsford continued. “We propose the ‘Living Wage’ partly because it makes a concrete appeal to the average man, partly because it would bring stimulus to industry, above all, because the effort to secure it must direct our attack to the keys of economic power.”14

Ellen Wilkinson was a formidable critic. Once a founding member of the British Communist Party, she was by this time a Labour MP. But a critic with an even higher profile was the leader of the Labour Party himself.

MacDonald and Brailsford: Locking Horns over the Living Wage Policy

Ramsay MacDonald’s wrath was directed not merely at the report The Living Wage but, even more fundamentally, at the role that the ILP had assumed—or so it seemed to many ILPers. At the end of February 1926, the weekly editorial in the New Leader responded to MacDonald’s recent criticisms in the Socialist Review. Brailsford complained that the party leader had not criticized The Living Wage or other, specific, ILP policies: “His case is that no group within the Labour Party has the right to suggest any programme at all. That, in his view, is the prerogative of the Parliamentary Party.” The ILP was not trying to give orders to the Labour Party, Brailsford protested. If the ILP approved The Living Wage report, the next step would be to submit it to the Labour Party conference. Was the ILP to have no role in setting Labour’s program? In a direct challenge to MacDonald’s leadership style, Brailsford declared, “It is not great leadership which seeks to check the initiative and arrest the thinking of a democratic party.”15

Brockway would later recall the beginning of this conflict between MacDonald and Brailsford. He had “never quite understood” MacDonald’s haste in rushing to condemn the Living Wage policy: “MacDonald’s reaction was a cruel disappointment to Allen. Allen always held MacDonald in high esteem and I believe he really hoped that Britain’s first Labour Prime Minister could be won to acceptance of his socialist philosophy and programme. Brailsford and MacDonald got into bitter conflict over the report, but never Allen and MacDonald.”16 The issue of MacDonald’s attitude would not go away. On 16 March, the New Leader featured “The Transition to Socialism: A Reply to Mr. MacDonald by the Editor,” in which Brailsford complained about the “unpleasant surprise” of the tone of MacDonald’s attacks on The Living Wage in recent editions of Forward and the Socialist Review. MacDonald appeared to be claiming that policy was the province only of “those who exercise executive
responsibility in Parliament. That is a claim which the two older parties might allow. It is a novel doctrine in the Labour Party.17

Brailsford’s interpretation seemed to be confirmed by MacDonald’s article “The Work of the I.L.P.: Its Relation to the Labour Party” in Forward a fortnight later. The scope of the I.L.P was, the Labour Party leader insisted, “wide and fertile.” But it should not “strive to be ahead of the Labour Party in its manifestoes and resolutions upon Parliamentary tactics.” And, in what was bound to look like an attempt to divide the potential opposition, MacDonald praised “those who have been working at the Birmingham financial programme, or the stabilisation problem.”18

At the beginning of April, Brailsford began his New Leader editorial “Mr. MacDonald as Critic” by expressing regret that MacDonald had not accepted the New Leader’s invitation to state his case but had instead renewed his attack on The Living Wage in Forward. He denied that the authors of the report intended that the Living Wage policy was to be brought about by simple “statutory enactment” or that it proposed to nationalize “all the decrepit failures of industry,” as MacDonald was claiming. The role of the “suitably constituted authority” to determine the level of the wage would often be “persuasive rather than coercive.” Neither “prosperity nor poverty” should determine nationalization, which should be directed at industries that “control the life and shape the development of every other industry—banking, the import of raw materials and staple foods, coal, electricity and the railways.”19

He could, however, “warmly agree” with MacDonald’s praise of Hobson. “His economic teaching is the starting point of our policy,” wrote Brailsford; “he has given it his support in these columns, and is an active member of the Commission which is working it out in detail.” But the most “startling thing” about MacDonald’s comments, he continued, was the “commendation of the ‘fine work’ of those who have drafted ‘the Birmingham financial programme.’ To the extent of four-fifths, or thereabouts, this programme is identical to our own,” he concluded. “It differs only in taking a view of the uses of credit which, to our more conservative minds, seems a little reckless. Is it really possible that by taking a less orthodox view of credit we could win Mr. MacDonald’s approval for our policy?”20

Nor did MacDonald have it all his own way in the pages of Forward. The day after Brailsford’s editorial came out, Dollan, who was not destined to be one of the rebels of the I.L.P, as we shall see in later chapters, was clearly not at all happy with MacDonald’s position. “Does he mean us to infer that the I.L.P. has no right to make comments on the actions of the Labour Party in Parliament?” he asked.21 By this time, the I.L.P annual conference was about to open
at Whitley Bay. In its report on the conference the following week, Forward noted, “MacDonald, perhaps wisely, chose to stay away.”

The 1926 ILP Conference: “A New Chapter in Our Party’s History”

Jowett, acting as temporary chairman following Allen’s resignation, addressed the Whitley Bay conference. His speech was later published as Socialism in Our Time, which was how the proposed new policy was coming to be known. It was under this title that Brailsford moved approval for The Living Wage report, expressing regret that Allen, “who inspired the policy,” was not there to do so. Brailsford used the same title for his editorial the week following the conference, which had, he said, “opened a new chapter in our Party’s history.” A “Socialism in Our Time Campaign Fund” was then announced and donation slips distributed, to be completed and returned with cheque or postal order.

At the beginning of the conference, Jowett, like Brailsford in his mover’s speech, paid tribute to Allen. He insisted that the ILP was fulfilling its purpose; it was doing “pioneer work, work for Socialism.” Turning to The Living Wage report, he went on:

> We propose that the Labour Movement put its whole power behind this demand and make it the supreme issue both in the political and the industrial worlds. We suggest that the Labour Party and the General Council of the T.U.C. should unite in declaring that they will not tolerate the standard of existence of the workers, whether they are employed or unemployed, remaining below a definite measure of human needs.

The “first big step” would be children’s allowances, but later measures must include “national control of banking, money, transport, land, electrical power, and the importation of foodstuffs and raw materials.” He ended with an exhortation: “Let us go boldly forward, Socialism in Our Time! Internationalism in Our Time! That is our aim.”

The proposals in The Living Wage report, presented as work in progress to be finalized in detail by the commission, were carried by an “overwhelming majority,” with only two delegates voting against the addendum on children’s allowances. Both Strachey and Mosley took part in the debate. Strachey intervened on the question of banking and imports, having withdrawn an amendment in exchange for a guarantee that he would be allowed to speak. He complained that no real credit policy was outlined by the NAC, and until that was done, it was useless to go on with a Living Wage policy.

For his part, Mosley stressed that the proposed commission to establish the policy was the “key,” along with the issue of demand. Forward reported that Mosley had urged a “more drastic financial policy” and had suggested that “a
crisis might come in which the slogan of the Socialist Movement might have to be changed from ‘Socialism in Our Time’ to ‘Socialism Today.” Indeed, a crisis was nearer than even Mosley may have anticipated. Less than a month after the ILP conference at the beginning of April, the General Strike had begun.

The ILP and the General Strike

The General Strike of 1926 arose out of the seemingly interminable conflicts of the coal industry. It was triggered when the mine owners decided to impose new terms involving longer hours of work and major reductions in pay. When negotiations broke down, the General Council of the TUC called its affiliated unions out on strike in solidarity with the miners. The strike lasted from just before midnight on 3 May until 12 May, when it was called off by the TUC, leaving the miners to struggle on for six months and eventually to be forced to accept the harsh conditions imposed by the employers. Many on the Left believed that the strike had been gaining ground when it was terminated, and some thought that it had had revolutionary potential.

Because the print unions had been asked to join the strike, the New Leader, along with all other newspapers, including the Labour-supporting Daily Herald, was not published during the strike. Later, Brockway concluded that calling out the print unions was a “big tactical mistake” by the TUC, since it essentially silenced the press and gave the government a monopoly in how the strike was reported. Indeed, the government immediately established and distributed its own bulletin, the British Gazette, which was used as propaganda against the strike. The TUC, in response, produced its own strike bulletin, the British Worker, but the government managed to block the TUC’s paper supply, thus reducing the bulletin from the planned eight pages to one.

Like the rest of the Left, the ILP was actively involved in the strike. Brockway tells of his efforts to keep the British Worker going. He is critical not only of the TUC leadership, saying that his “first reaction was that the T.U.C. General Council had become either demoralised or corrupted,” but also of some other labour movement bodies. He recounts how he phoned the TUC to put the ILP’s printing works at its disposal, only to be told that the Typographical Society, one of the print unions, was “raising difficulties.” He asks, “Was this a general strike or a general do-as-you please?” and says that he was shocked to learn that the directors of the Co-operative Printing Society had refused to help because the strike had halted their regular business.

How much of this reflects later hindsight and how much his views during the conflict is difficult to assess.

The first edition of the New Leader following the strike was, as one would expect, largely devoted to news, commentary, and analysis of the event. It
appeared on 21 May and included both an article by Brockway, “The I.L.P. Does Its Bit,” and Bertrand Russell’s rejection of the “unsound” government argument that the General Strike was “undemocratic.” The following week, the paper featured “The I.L.P. in the General Strike,” which was followed in the next two editions by the two-part “The Secret Story of the Strike,” written by A. J. Cook, general secretary of the miners’ union and an ILP member. Near the end of the year, the paper published a letter from Cook, which began “We Shall Never Forget the Generosity of the I.L.P.” The same issue reported that the ILP Miners’ Relief Fund had reached £8,672.

What effect the strike had on the ILP in general and the promotion of the Living Wage/Socialism in Our Time policy is very difficult to determine. The collapse of the TUC’s resolve and the appalling suffering of the locked-out miners and their families were demoralizing for the Left and added to the sense of frustration with a Labour Party seen to have stood impotently on the sidelines.

But did failure on the “industrial” side focus attention back onto the “political”? As ever, there was a wide range of reactions to the strike, but certainly for many, the experience had demonstrated the limits of direct action and reinforced the belief that some variety of political action, be it reformist or revolutionary, was a much more promising way forward. Having played its minor part in the strike, the main task set by the ILP was to propagate its new policy and, above all, to persuade the Labour Party to adopt it. From the standpoint of the ILP, the General Strike had been caused precisely by the mineowners’ refusal to pay a living wage.

**Controversy over the Living Wage Continues**

Even before the General Strike, arguments over MacDonald’s attitude towards The Living Wage report had rumbled on. Emrys Hughes’s Forward article, “The Lost Leader,” asked what the Labour leader’s alternative policy was. A week later, a New Leader letter from Frank Hall of the Southall ILP branch criticized MacDonald for “ridiculing all our efforts in Forward” instead of arguing his case at the ILP conference. Mary Sutherland struck back the very next day in Forward. She complained about the tendency she detected in the ILP for “snarling at MacDonald.”

MacDonald’s critics were at least as focused on his dismissive tone as on the substance of his rejection of The Living Wage. The Labour leader had told Forward readers that he was “grieved to the quick that the poor old I.L.P. seems to be making itself ridiculous, and I am too good an I.L.Per to keep silent. These tactics will never be pursued whilst any Parliamentary Party cares twopence about socialism. And that’s that.” Hughes, on the same page of the
paper, described this as “a caustic and contemptuous attack on the I.L.P.” in “one short superficial paragraph.”

Brailsford was not impressed with “Mr. MacDonald’s Alternative,” and in a New Leader editorial that appeared in August, Brailsford welcomed MacDonald’s proposal for workers’ control of separate industries. However, he added, “one might entrench workers firmly within the governing body of each organised industry only to then realise that “a stronger power must control the masters of their masters.” The socialization of banking and of the import of raw materials was vital.

In July, Forward published an article under the headline “A Half-Way House to Socialism: The Admissions of J. M. Keynes.” In the New Leader, Brailsford was just as keen to claim at least a degree of support from the radical Liberal economist whose The End of Laissez-Faire he welcomed. He noted that Keynes was aligned with the ILP in advocating “the deliberate control of currency and credit by a central institution.” No one’s support would be more welcome, Brailsford continued. “The more clearly we define our own aims to include this directive use of intelligence for the common good, the more surely we shall rally men who believe in the positive tasks of civilisation.”

The first extracts from the final version of The Living Wage report appeared in the New Leader at the beginning of October, and a week later, Brailsford described his anticipation of the policy’s reception at the Labour Party conference in Margate the following week:

We feel confident, in spite of the curiously ill-tempered and careless criticism with which our plan was first received, that Conference cannot dismiss it as a suggestion unworthy of study. The name of J. A. Hobson among the signatories should alone avail to save it from that fate. We believe we have met, by slight modifications, the able criticisms which Miss Ellen Wilkinson made, while it was still a draft sketch. The people who dismiss it as “mere Liberalism” will doubtless be undeceived when the Liberal Press unmasks its batteries.

The report’s proposals were not “catastrophic” and would destroy nothing but poverty, he added. “It aims at the general good; its purpose is to trace a path through prosperity to Socialism.”

Ironically, in light of events still a few years in the future when he was again Chancellor of the Exchequer, the most prominent leveller of the charge of
“mere Liberalism” was Philip Snowden. Brailsford took on his argument in “Socialism and the ‘Living Wage’: A Reply to Mr. Snowden.” He conceded that the “transfer to social ownership and control” of banking, the import of raw materials, the “direction of the flow of new capital,” and the rest did not amount to socialism. Yet he insisted that the “conquest of economic power” meant that though private enterprise “might survive for a generation, the general direction of industry and the ability to control it, even to dictate to it, would be in the hands that governed the key services.” But he agreed with Snowden in rejecting Maxton’s proposal of demanding a 20 percent all-around wage increase:

Apart from the impossibility of getting so much in one instalment without inflation, this plan sets up no standard of civilised human life. Worse still, it leaves uncorrected the shocking inequalities that now obtain in the wages of different trades. It is not a general percentage increase we should demand, but rather the levelling up of the wages of the depressed trades to some standard based on human need.41

Brailsford, at least, was not entirely dejected by the Labour Party conference’s failure to support the ILP policy. His first report on the proceedings was headlined “Drifting Back to Politics,” and the following week, he noted that there had been considerable support for the ILP’s proposals for an inquiry into children’s allowances. At the same time, his antagonism towards MacDonald was very evident. “Mr. MacDonald shrugged his shoulders and contrived in words, gestures, and tones, to convey something of the disdain he feels for our proposals,” he reported.42

Plainly, there was a significant personal element involved in the conflict between MacDonald and Brailsford. Leventhal cites the former’s criticisms in Forward and Brailsford’s New Leader comments in April, in which he accused MacDonald of interpreting the ILP policy in a distorted way. He concludes, “MacDonald had begun to denigrate the ILP programme. Despite his sympathy for Hobsonian economics—and affection for Hobson—he resented efforts by the ILP to foist its visionary policy on the Labour Party as a whole and immediately perceived Brailsford as the culprit.”43 MacDonald’s antagonism reinforced his determination to have nothing to do with The Living Wage. Marquand quotes an April 1926 letter from MacDonald to Paton in which the former declares, “I can speak at no conference to popularise absolutely meaningless phrases and to mislead the whole Socialist movement.”44

There were, of course, other critics of the Living Wage—or, as it was increasingly called, the Living Income—policy on the Left. Hugh Dalton, as a former student of Keynes might have been expected to be supportive, but he thought that, like the Mosley-Strachey proposals, it would prove to be inflationary
The Year of the General Strike—and of The Living Wage

if implemented. Labour’s Northern Voice, the organ of the Lancashire ILP, showed little enthusiasm for the new policy. After the national ILP conference in April 1926, its regular columnist, “Vox,” had praised its “stirring introduction,” which had “reflected the opinion of every thoughtful member of the working class.” But the paper’s editor expressed doubt about putting “the living income in the forefront of the programme.” Presumably, he surmised, the NAC believed that “the living-income slogan” would be “the inspiring cry which will solidify the working class and drive it forward to take power in its own hands.” However, there would have to be “yet another Commission to define what is a living income,” and this would “leave the working class cold.” The ILP would do better to keep pushing for “the full Socialist policy.” At the end of the year, in the paper’s “Comments and Criticisms,” it was argued that the policy was helpful only “if we intend to legislate for Socialism in earnest at the first opportunity. We do not want to admit bankruptcy of ideas by resorting to a stunt.”

So, in spite of the endorsement of the Living Wage proposals at the national ILP conference in the spring of 1926, the policy remained controversial within the Party. In time it would become clear that even those who supported it had radically different interpretations of its meaning and its implications. Before exploring this, however, we need to take a closer look at The Living Wage report.