Pursuing the Living Wage Policy

The main elements of *The Living Wage* report, those we saw developing in the last two chapters, are succinctly summarized by Marquand in his biography of MacDonald:

> It advocated a system of family allowances paid for by taxation, the nationalization of the Bank of England, to secure state control of credit and monetary policy, and Government bulk purchase of foodstuffs and raw materials. But these were only the trimmings. The core of the report was a proposal to introduce a national minimum wage and to set up an Industrial Commission to reorganise the industries unable or unwilling to pay it. The resources needed to finance the higher wages, the report emphasized, could not come from taxation. They would come instead from the increased production which higher wages would call forth. For higher wages would lead to higher consumption; and the “pressure of higher consumption” as Hobson called it, would force industry to produce more wealth and employ extra labour. With one blow, the “Living Wage” would solve the unemployment problem and raise working class living standards to a tolerable level.¹

A “New Development”

James Maxton was, of course, quite correct when he told the 1926 Whitley Bay conference delegates that there was nothing new about the proposals made in *The Living Wage*. The individual elements that made up the report were indeed familiar. They had been “outlined in Clifford Allen’s address at York, and came up for discussion at Gloucester,” he said, referring to the 1924 and 1925 ILP conferences.² But a lack of real understanding seems evident in Maxton’s comment in *Forward* that though Brailsford, in his motion to accept *The Living Wage*, had said that it marked “a new development,” in practice the ILP had “always taken the main ideas for granted.”³ This missed what was essential.
As we have already seen, the individual constituents of the policy may have lacked novelty; what was new was the degrees of emphasis placed on them and, above all, the way they were linked into a seemingly coherent strategy. As noted in chapter 7, Brailsford claimed that the significance of the policy lay in “reversing the order of thought and action.” His article, “Socialism in Our Generation: The ‘Living Wage’ as Lever” had developed this point in early 1926. “Strangers who watch our movement often liken it to ‘religion,’” he wrote. “The analogy is dangerously true.” The Living Wage policy was “a simple human demand, which must carry with it, if we can stir the ambitions and stimulate the thinking of the average worker and his wife, assent to all the rest.” The reaction of those working-class families to proposals for giving priority to, for example, bank nationalization, were likely to be cold, bewildered, and sceptical. This point was reiterated in The Living Wage report itself:

We have dealt rather with the economic plan than the politics of this transition. But it is evident that this policy has the merit of making a simple and concrete appeal to the average worker and his wife. Family Allowances and a “Living Wage” touch them in their daily experience of life. Once their attention is concentrated on these things, the rest of the scheme will enlist their defensive instincts.

The idea was to begin with this “simple and concrete” appeal, which would have had a much wider constituency than socialist ideology. The report began with a section under the subheading “The Place of Wages in Labour Strategy.” We should note here, especially, the word strategy. The widespread acceptance of the claim that industry should pay a living wage to all engaged in it was the report’s starting point. This has, it said, “become in our generation an ethical principle, accepted as one of the foundations of our civilisation. Neither of the capitalist parties venture to dispute it.” The principle was implicit in all wage disputes; the General Strike had been against employers who “defied” it and, however inadequately, the principle also lay behind the setting up of trade boards for “sweated” industries.

The Contents of The Living Wage Report

Although the report assumed that securing the goal of an adequate income for all would eventually lead to the public ownership of major industries, this was not an immediate objective. Nationalization in conditions of economic depression would result in Labour facing either the subsidizing of “uneconomic” railways and mines or a great increase in unemployment in a time of low wages and mass unemployment. “If, on the other hand, it were possible by any means to promote an upward movement in wages generally and so to stimulate trade,
the problem of nationalisation would be immensely simplified.” For successful nationalization, the report argued, either a “boom” or “some expedient” to create general prosperity was essential. Raising wages by industrial action would mean short-term price increases, and unions would soon discover that even if they were able to control individual industries, they would find standing behind them “the mechanism of banking and credit control.” Price increases, if left uncontrolled, could quickly cancel out wage increases. Nevertheless, strong unions were essential, and Labour must bring about an understanding between “the two sides of the movement.” That accomplished, the demand of four or five million voters would be reinforced by the “organised will of the Trade Unions.”

The second chapter of the report, on underconsumption, acknowledged its basis in Hobson’s economic thought. The ethical considerations previously highlighted converged with economic necessities. Low wages meant a limitation of the home market and prevented the realization of the full benefits of mass production. Market expansion depended on the extension of “credit and currency” and the wider distribution of purchasing power, chiefly to the wage-earning class, in order to ensure that money was spent rather than saved. At the same time, the control of credit and “stabilisation of the general price level” were imperative, lest wage increases be cancelled out by rising prices. But the “surest way” to expand markets was “to increase the output of essential goods and services, through the reorganisation of industry for higher production.”

The next chapter dealt with credit and banking. Much work remained to be done “on the Quantity Theory of Money,” but the aim must be “to abolish the Trade Cycle, or at least to limit it to harmless and barely perceptible oscillations.” It was vital to choose the right point in the trade cycle to pursue stabilization of prices. The report referenced “the well-known books by Mr. Keynes and Mr. Hawtrey,” as well as E. M. H. Lloyd’s International Labour Organization report, Stabilisation and Unemployment in Its National and International Aspects. The ILO report proposed the nationalization of the Bank of England with a charter committing it to the achievement of a stable price level on the model of the Federal Reserve Board in the United States.

Eleanor Rathbone’s The Disinherited Family featured in the chapter on family allowances, as did J. L. Cohen’s Family Income Insurance on estimating the annual cost of “a State scheme to be financed by direct taxation.” The Australian experience was cited as a relevant precedent. The report rejected the notion that children’s allowances would encourage a rise in the birth rate: “Reckless breeding is in fact a phenomenon of abject poverty. Every increase in comfort and self-respect makes for prudence and self-restraint.”

The fifth chapter urged the Labour Party’s National Executive Committee and the TUC’s General Council to set up a commission “to formulate in precise
terms and figures the vague claim which is in all our minds.” The result should allow for at least two weeks of holiday per year, and once again, the need for as wide a consensus as possible was stressed:

Our purpose, then, is not to enforce by legislation a universal statutory minimum. We propose to start with the authoritative declaration of a minimum—a figure which the whole community formally accepts, and intends, within a measurable period to attain by the reorganisation of industry. When the official enquiry has resulted in the fixing of a figure, the next step might be the passing of a resolution by the House of Commons declaring that it is the nation’s purpose to base its economic life on this figure.

The economic effect of the new purchasing power would be considerable and immediate. The trade unions were understandably concerned lest a minimum wage become a maximum in practice, so it was vital that they would “retain their freedom to bargain and their traditional functions.” The Living Wage policy would not be imposed by the state, but the state would create the conditions in which unions could demand it “with every prospect of success.” The report envisaged its regular upward revision. This might take place every five or ten years, increasing the wage level until it reached the point “at which an increase of leisure, and a deepening of its cultural life seemed more important than the effort to increase material prosperity.”

The final four chapters, preceding the conclusions, were titled “The Re-Organisation of Industry,” “Prices and Raw Materials,” “The Provision of Capital,” and “The Export Trade.” It was essential that “banking, coal mining, electrical supply and railways should be nationalised,” but this needed little more explanation, since it had already been covered, in the case of mining by the Labour Party’s Coal and Common Sense plan. As for other industries, an Industrial Commission should be appointed to reorganize them to increase efficiency. The commission’s chief and possibly only power would be to “enforce the amalgamation of businesses.”

On imports of raw materials and food, the report clearly drew on the wartime experience of E. F. Wise. The authors envisaged buying agencies “appointed by state but with close links to the industry concerned,” which would enjoy a monopoly for the import of the materials concerned. There might also be a “National Industrial Bank” of a decentralized kind, which would claim representation on governing boards where it invested. It would “become one of the most powerful means by which the penetration and control of industry can be promoted.” The Industrial Commission and the councils of nationalized services would become “the planning and directive centre of the nation’s industrial
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life." As regards exports, the report stressed the importance of arriving at international agreements and pointed out that underconsumption “operates beyond our own island” in, for example, India and Kenya.15

The report concluded by urging that the difficulties of carrying out the plan should not be underestimated and that the parliamentary tactics were the province of the Parliamentary Labour Party. Earlier points about the priority to be given to stimulating prosperity were re-emphasized:

We advance our policy as an alternative and antithesis to a catastrophic strategy. It aims at creating general prosperity, and only in this atmosphere of well-being would a party that embraced it attempt large constructive changes. Taking care before it joined the hotly-contested issues of nationalisation, to stimulate the nation's trade, it would then approach its more contentious work with the public in a mood of optimism and good temper.16

Prosperity was, in other words, an essential prerequisite to winning support for a more far-reaching socialist program.

The Significance of The Living Wage

The Living Wage report would stand the test of time relatively well. During the nine decades since its publication, few have echoed MacDonald’s contemptuous dismissal. From Keith Middlemas, who referred to it in the 1960s as “probably the strongest weapon in the whole ILP armoury,” to Andrew Thorpe, who, in 2001, called it “a useful contribution to a wider debate,” to Matthew Worley, who discusses it in Labour Inside the Gate (2005), historians have taken the idea seriously.17 The revival of the report’s central demand in the Living Wage campaign of early twenty-first-century Britain also suggests a continuing political relevance.18

Brockway, whose enthusiasm for The Living Wage waned considerably in the 1930s, still saw it as a work in progress when he was writing his memoir Towards Tomorrow in the 1970s. “The report was a notable document,” he declares, “extraordinarily relevant as I write fifty years later. It included a national minimum wage for all, the socialisation of what Nye Bevan afterwards termed ‘the commanding heights of the economy,’ workers’ participation in management, national control of investment and import and export boards to balance foreign exchanges.”19 Marquand, in his 1977 biography of MacDonald, published the same year as Brockway’s memoir, declared it “a milestone in the history of the British Left,” going on to explain its significance:
In spite of oversimplifications and gaps in the argument, it pointed the way to the managed welfare capitalism which was to transform most of the western world after 1945: in approach, if not in detail, it offered the Labour movement at least the basis of a reformist alternative, both to revolutionary Marxism and to its existing unhappy mixture of utopian aspiration and fiscal orthodoxy.\textsuperscript{20}

There are certainly features of the report that point in the direction that Marquand indicates. The authors were always keen to cite precedents—not from the postrevolutionary USSR but from distinctly prerevolutionary sources. Some have already been noted, such as the Australian example of child endowment, which was an issue in that country in the mid-1920s, especially in New South Wales. Other references in the report include the suggestions that the wartime Excess Profits Duty might be revived, that the German model could serve in some respects as a guide for the proposed National Industrial Bank, and that the recent Samuel Commission on the coal industry was a Tory precedent “for the re-organisation of a defaulting industry.”\textsuperscript{21}

The proposal for state agencies to buy essential raw materials and foodstuffs was similarly supported by recalling the “notable success during the war in the case of wool, edible oils and other important raw materials.” The report added that Switzerland had continued “on permanent lines since the war” in the case of wheat.\textsuperscript{22} The backwardness of British industry was another theme. In a New Leader editorial in April 1926, Brailsford had cited the Balfour Commission’s finding that real wages in New York were double those in Britain.\textsuperscript{23}

The “inevitability of gradualism” had already acquired a bad name in the ILP, but the party was adamant, at this stage at least, about rejecting cataclysmic change. The Living Wage, having called for the nationalization of the Bank of England, conceded that other banks might be difficult to nationalize. “Some intermediate solution might be considered, which would assimilate them to public utility corporations, and give the Government some representation on their governing bodies.” And it noted as one of the gains attendant on successful price stabilization that the small investor’s savings would become less risky.\textsuperscript{24}

David Howell says of the ILP commission that produced The Living Wage that the group “epitomized the blend of progressive liberalism and ILP ethical socialism that characterized Allen’s hopes for the Left.”\textsuperscript{25} There was certainly support for some openness towards Liberals in Hobson’s New Leader article “Liberals and Labour: The Acid Test” in early 1926. He saw no reason why what he called the “anti-imperialist wing” of Liberalism should not support The Living Wage based upon family needs, “which is the true foundation of a sound economic Socialism.” The acid test was the nationalization proposals.
But why, he asked, “should a modern Liberal prefer to leave these services to be organised by private trusts or combines for profiteering instead of organising them for the gain of the community?”

Brailsford, too, was open to at least a degree of co-operation with Liberals and others outside the labour movement. As noted earlier, he supported Jowett’s proposals for parliamentary committees and proportional representation. This was to come to the fore again in 1929, nearly three years after the publication of The Living Wage. At that time, Brailsford was still a fairly regular contributor to the New Leader, although he had resigned as its editor in October 1926. This 1929 episode is quite a revealing one. It began after the Labour Party had achieved minority government office once more, and there was considerable speculation about possible deals with the Liberals. While Brailsford was at pains to reject the idea of any formal agreement with the latter, he advocated Labour’s participating in an open “conference” with them and offering support for proportional representation or at least the alternative vote. He noted that what he called the “genuine party man” hoped, by refusing “this elementary measure of justice,” to “crush the Liberals.” This seemed to him “to be deeply immoral and anti-democratic,” for it denied about five million voters parliamentary representation. Brailsford also wanted “informal and friendly consultation of men outside our ranks who command respect by their knowledge and experience” on a wider range of issues. “We might,” he insisted, “avoid making many a mistake by listening to Mr. Keynes on questions of currency and credit.” However, a New Leader editorial note registered disagreement with much of Brailsford’s argument.

A few weeks later, a front-page New Leader article by Ellen Wilkinson praised MacDonald for rightly rejecting “the discredited imbecilities of proportional representation.” In the same issue appeared Brailford’s “Crush or Convert?” in which he returned to his earlier argument and claimed that opposing proportional representation meant returning to the “two party system.” This would mean “the gradual approximation of the two parties, for it means the liberalising of both of them.” He again made his argument for proportional representation and for an “open conference” with Liberals at the ILP summer school at Welwyn. The conference took place, but Brailsford seems to have gained little support.

Brockway supported Brailsford on electoral reform, but Maxton “frankly expressed his disappointment that the main author of the ‘Socialism in Our Time’ programme should now be urging a Labour-Liberal agreement.” Maxton caused some amusement by defining his attitude to proportional representation with the simple statement “I agree with Mr. Ramsay MacDonald,” while Shinwell concluded, “Two years ago H.N.B. was the intellectual leader of the
Left; now he wants an understanding with the Liberals!”

On these issues, Brailsford was very much in the minority within the ILP.

A “Living Wage” or “Socialism in Our Time”? 

Hobson’s and Brailsford’s positive attitudes towards exploring possible common ground with Liberals was just a particular instance of a wider divergence—or, at the very least, of an important difference of emphasis—within the ILP. This was summed up by the alternative titles of the ILP’s new policy. Calling it the “Living Wage” or, as it soon came to be preferred, the “Living Income” stressed Brailsford’s “reversing the order of thought and action” by emphasizing the wide appeal of the demand. True, the belief was that the logic of events would mean that serious pursuit of an adequate income for all would trigger all the other changes outlined in the report. As A. J. P. Taylor puts it, underlying the Living Wage policy was the agenda that “the attack on poverty should be accelerated, though with the hope that capitalism might be ruined in the exertion.”

“‘Socialism in our time.’ How the phrase thrills one,” wrote Sydney R. Elliott at the beginning of his ILP pamphlet Co-operation and Socialism, published at the end of 1926. Certainly, it made a stirring slogan—for socialists. But if the Living Income policy was to be seen simply as a device to justify translating private ownership into public ownership, the wider appeal was likely to be diminished. Soon the policy became, as David Howell puts it, “blurred.” He notes that Maxton and others interpreted it in a way that pushed their own agendas. Maxton also added, as Worley says, a “sense of urgency and militancy.”

Marquand notes the ambiguity of the living wage notion in terms of its political and economic underpinnings:

Before the commission had finished its work . . . the concept of the “Living Wage” had acquired political overtones, which were, at bottom, incompatible with the economic assumptions on which the report was based. As Hobson saw it, the point of the “Living Wage” was to eliminate the “under-consumption” which he had always regarded as the root cause of unemployment. Once that had been done, the system would operate in the old way (though with the help of new machinery), and obey the old laws. Implicitly, if not explicitly, the report’s economic proposals were based on the premises that capitalism could be made to work, that the extra resources that were needed to raise the standard of living of the wage earner could, and would, be produced by the normal processes of capitalist economics once the capitalists knew that there was a market for their products.
The key word here is “implicitly.” Leventhal seems much closer to the mark when he concludes, “Whether managed welfare capitalism could provide a ‘Living Wage’ or whether it was feasible only under socialism was never settled. Brailsford himself alternated between the two, depending on his audience, but seemed increasingly disposed to maintain that the ‘Living Wage’ need not await a complete socialist transformation.”

Brailsford certainly thought that divisions within capitalism should be exploited by the Left. In 1928, he wrote that “it should be our task to bring into the open the continuous secret struggle between the entrenched forces of the rentier interest, with the banks as their leaders, and the scattered and ignorant forces of industry.” His own interpretation of the policy he had done so much to devise and to propagate became clearer in a series of articles titled “From Chaos to Order,” which appeared in the New Leader towards the end of 1930. Essentially, they amounted to a restatement of The Living Wage report. He acknowledged that he, and the ILP generally, had encountered more opposition than expected. “When we drafted our programme, now many years ago,” he wrote, “we may have over-estimated the agreement within the Movement of these fundamentals. We supposed that everyone accepted what is called the ‘Under-Consumptionist Theory.’” The program proposed “a conscious and deliberately-planned transition to Socialist order.” Brailsford tried to refine the rejection of gradualism: “we, too, are gradualists,” he declared, if gradualism meant rejecting “a sudden cataclysmic rush” to socialism. Yet he rejected the gradualism that meant “a slow, unconscious, drift towards Socialism, down the sluggish stream of history, without rudder or oar.”

In the second instalment of “From Chaos to Order,” which dealt with under-consumption, Brailsford cited Hobson’s “valuable little book, ‘Rationalisation and Unemployment.’” “The Masters’ Master,” the third article (31 October), carried as a subheading “Socialise the Banks.” This was followed in the next five weeks by articles revisiting the other areas of The Living Wage program; titles included “The Money Trust” (7 November), “Raising the Standard of Life” (14 November), “The Children’s Share” (28 November), and “A National Food Service” (12 December). Brailsford’s own view emerges most clearly in “The Seats of Power,” the final article of the series, published on 19 December:

For my part I would rather talk of socialisation than of nationalisation, and while I want to see fundamental things owned by the nation, I hope for great elasticity and a wide latitude for experiment in devising many methods by which production and exchange shall be carried out. There is room in my Utopia for Mr. Cole’s Guilds, for the Liberals’ ‘public concern,’ even for privately managed workshops and farms, provided we
maintain a firm, yet friendly, framework of control, stop the accumula-
tion of wealth, and approach equality of income.

Socialism was “an historic struggle for the redistribution of power,” he explained. Ownership and wealth mattered “chiefly because they confer power.” He ended the article, and the series, by stressing again the practicality of a strategy that began from what he perceived to be the standpoint of the ordinary worker:

It is, we believe, a workable programme; not merely because it has based itself on the economic realities of to-day, but also because it takes account of the daily needs and habitual thinking of the average worker. It summons him to struggle for a “Living Wage,” but it teaches him, while he forms his ranks, that this goal can be won only by capturing the seats of power.

This would not, however, be the ILP’s direction of travel in the new decade. By the middle years of the 1930s, some of the once keenest supporters of The Living Wage were to insist that there had been an undesirable shift in its interpretation. They included its initiator, and now a peer and a supporter of MacDonald’s National Labour Organisation, Clifford Allen. Marwick quotes a passage from Allen’s 1934 book Britain’s Political Future: “I once ventured to say,” he recalled, “in a daring moment from the chair of the Independent Labour Party that we could see the end of extreme poverty and the foundation of a new social order during our lifetime. This statement has since become the slogan ‘Socialism in our Time.’” What was “a well-founded scientific hope,” he wrote, had been “wrecked by those who made a battle cry of what should have been a spiritual and intellectual development.” Allen concluded by presenting his book as a “plea that we should resort to the task and method originally intended.”

Two years later, the former ILP general secretary, John Paton, arrived at a very similar judgment. “The original, balanced and carefully planned ‘Living Income Programme’ . . . had disappeared under the accretions with which it had been loaded (each more extreme than the last),” he wrote, “and now was embodied in the slogan ‘Socialism in Our Time.’ This represented now little that was stable or recognisable as a programme but expressed really an ever-fiercer impatience and an extreme militancy of spirit.”

“Socialism—with Speed”: Revising the Living Wage Policy

In the meantime, the Living Income policy faced much criticism from those who saw themselves as guardians of the Left. In a 1927 pamphlet, W.T. Symons attacked the “adopted child of the vigorous, theoretic brain of the editor of ‘The New Leader,’” asserting that “if the enemies of a good life for all had sat
down to devise the destruction of the Socialist Movement in this country, they could not have hit upon a more perfect plan.” Why had the authors of *The Living Wage* come to “abandon Socialism for this narrow objective?” The Living Wage proposals were “not revolutionary” but simply “a grandiose recital of ameliorative proposals.” Symons emphasized how far short they had fallen: “They have forgotten that socialism came into being to supersede the wages system.” And as expected, the CPGB, now entering its most sectarian phase, was contemptuously dismissive of the Living Wage proposals.

Within the ILP, greater emphasis was being put on the need to move rapidly forward, as is suggested by the title of Brockway’s *Socialism—with Speed: An Outline of the I.L.P. “Socialism in Our Time” Proposals*. “Speed depends on the human will,” he declared, combining this with the pessimistic assertion that “spiritual death is creeping upon the Labour movement.” Later, in July 1928, Brailsford was more in line with wider ILP opinion than he was over attitudes towards the Liberals when he expressed the party’s disappointment with the *Labour and the Nation* policy statement of the Labour Party aimed at the coming election. He criticized the “trust in the Mond Conference” — the discussions with employers initiated by the TUC aimed at finding less confrontational resolutions to disputes. To “renounce by silence the weapon of State action—that is negligent timidity,” he declared. As for *The Living Wage*, Labour’s position seemed to be that “wages are the concern of the Trade Unions.” In the same issue, while Ellen Wilkinson warned against division in the ranks, Brockway complained that the new Labour program included what he called “no plan for socialism” or for “the ‘Living Wage.’”

For the ILP, 1929 opened with plans to revise the Living Income policy so as to speed up its implementation—an entirely distant prospect given the failure of Labour to adopt it in the first place. As Brockway explained to *New Leader* readers, the revised policy would require a future Labour government to bring about a living income for all within two years. Such a government would determine the standard to be reached, immediately impose it throughout the public sector, and insist on adherence to it of all organizations with government contracts. There would be, Brockway emphasized, no toleration of “less than a Living Income in any industry which is doing public work or receiving public assistance.” Other industries would be given two years to fall into line.

Criticisms of the Living Wage policy appeared in the letters to the paper in February and March. E. F. Wise, one of the original signatories of *The Living Wage* report, replied with the claim that “the Living Income policy as now worked out holds the field as a plan of campaign which will unite in one co-ordinated effort the fighting spirit and the resources of the Political, the Trade Union, and the Co-operative Movements.”
On the eve of the 1929 annual conference, Brockway, in a *New Leader* article, included *The Living Wage* report among the issues he wished to see discussed at the ILP conference. The party, he said, could be divided into two groups: those members who saw the policy as a “spearhead of the demand for the Socialist reorganisation of industry” and those who were prepared to settle, for the time being, for a lower “practical minimum.”

Opening the conference as chairman, Maxton told delegates that the Socialism in Our Time policy laid down three roads to be taken. The first, he said, was “the road of public ownership of Land, Mines, Transport, Banks”; the second was “lifting up the standards of life of the people”; and the third was the demand that “the working people of this country, through the Trade Union and Co-operative Movements should assume an increasing share in the control of and direction of industry.” This was a rather different order of priorities from the ILP’s position in 1926. It looked very much as though, for Maxton, Brailsford’s “reversal of the usual order of thought,” if it had ever meant anything to him, had now gone by the board. This raises the question of how well Maxton understood the significance of the strategy outlined in the Living Income/Socialism in Our Time policy as originally conceived or, if he understood it, to what extent he actually supported it. These doubts are reinforced by some of Maxton’s later statements. In what was described as his “Presidential Address” the following year, he outlined how, after 1923, a new policy “finally crystallised under the slogan ‘Socialism in Our Time,’ and was embodied in a series of practical steps which came to be known as the ‘Living Income Policy.”’

Maxton went on to distance himself from the original proposals:

These plans were made before I became Chairman. I was not asked to discuss whether the I.L.P. should go on or not, I was not ask to define slogans for it or to lay down proposals for the speedy realisation of Socialism. I was asked to use my chairmanship to spread the idea of “Socialism in Our Time” by propaganda, to urge its acceptance, through the wider Labour Party, and to get it accepted by the nation. That is the task that I have tried honestly and sincerely to fulfil.

No doubt that was true. No one could fault the energy and sincerity of his endeavours, but the essence of the Living Income policy was its strategy; to Maxton it seemed to be simply a matter of slogans.

In contrast to the Whitley Bay conference of 1926, where the original draft of the policy had been approved with virtually no opposition, the delegates at the conference three years later were split on the updated version, with substantial minorities favouring critical motions and amendments. Dollan had failed some weeks earlier, at the NAC meeting, in his motion that *The Living Wage* report be
referred back for further consideration, losing the vote by 3 to 7. He did rather better at the conference: although he still lost, it was only by 131 to 183. There was less, but still significant, support for the motion by Allen Skinner of the London Central branch to reaffirm the original Whitley Bay version, which lost by 102 to 182. The amended report was finally accepted by 183 to 134.50

Just how confused the evolution of the Living Wage, Living Income, or Socialism in Our Time policy was becoming is brought out well by Emrys Hughes, who, following the 1929 conference, attempted to explain the situation to readers of *Forward*:

The original “Living Wage” proposals became mixed up with P. J. Dollan’s advocacy of a £4 a week legal minimum and the Cook-Maxton campaign, while H. N. Brailsford, one of the drafters of the programme, in a fit of despair gave up hope of it being accepted by the Labour Party and came to the conclusion that the only thing left was a Labour agreement with Lloyd George. At the Norwich conference last year Dollan succeeded in carrying an amendment making the establishment of an immediate all-round minimum wage the first plank of the programme, whereas the Whitley Bay resolution had laid it down that this could only be achieved by the Socialist reorganisation of industry.

As a result the National Council was instructed to present another report. This report, a twelve-page pamphlet, was presented to the conference by E. F. Wise who explained it had the unanimous support of the National Council, with the exception of Dollan.51

The *ILP* rejoiced in its openness, tolerance of dissent, and internal democracy—features that contrasted vividly with the state of affairs within the *CPGB*. There were always plenty of disagreements about all aspects of the *ILP*’s work, but not since the departure of many of the members of the Left Wing group back in 1921 had there been such pronounced divisions within the party. At the same time, and intimately connected with these divisions, the tension between the *ILP* and the rest of the Labour Party seemed to be increasing inexorably.

By no means can all the responsibility for this be laid at the door of the *ILP*. MacDonald seemed to go out of his way to respond to the growing hostility from the Left by being as offensive as possible in return. It was his dismissal of *ILP* policies as “flashy futilities” in 1928 that caused the most—and longest lasting—offence. Once again, as with his earlier rejection of the Living Wage report in 1926, the tone and context offended as much, if not more, than the substance. MacDonald’s column in *Forward* was an ostensibly light-hearted “diary.” On this occasion, he described an encounter during a train journey with “a sprightly damsel, armed with field glasses and racing calendars,” who expressed great appreciation for “Shaw’s glorious book”—presumably The
Intelligent Woman’s Guide to Socialism and Capitalism. MacDonald regretted that Shaw’s “plain declarations of ultimate purposes are taken to support such absurdities as Socialism in our Time and its attending programme of flashy futilities.” As the editor of Forward commented in the same issue,

It is not difficult to understand outbursts of irritation at Party leaders when Mr. MacDonald in his article in this week’s Forward calls the I.L.P.’s programme of “Socialism in Our Time” a “programme of flashy futilities” when nine-tenths of the alleged futilities have already been endorsed by the Labour Party conferences, and the whole lot of which he commended very warmly when they appeared under the pen of Sir Oswald Mosley.52

The disparaging term was greatly resented by ILPers and it seems to have stuck in many minds. Three years later, Labour’s Northern Voice used “Flashy Futilities” as the title for an article.53

The Living Wage Bill of 1931—and After

In 1931, with the ILP seriously at odds with the second Labour government, Maxton was successful in the House of Commons ballot for the right to move a private member’s bill. With the support of the ILP parliamentary group, this bill was introduced at the beginning of February 1931. “The I.L.P. ‘Living Wage’ Bill” proposed a committee comprising three working-class housewives, three trade union representatives, and three cooperative movement representatives; the committee was to determine what should constitute a living wage. It was to report within three months, setting a suitable figure.

There was never the remotest possibility that MacDonald’s government would take up the bill or arrange for it to be given the parliamentary time needed to progress beyond the initial stage, let alone that a Commons majority could be secured. But Brockway reported that those voting for the bill included “many who desired to register support for the principle without any belief in its immediate application. No Cabinet minister voted, but the Chief Whips, five junior Whips and five Under-Secretaries voted with the I.L.P.”54 Forward, so often critical of Maxton and the ILP rebels, republished Maxton’s speech moving the Living Wage bill verbatim from Hansard.55

But such a moment of unity was not to last. Soon Forward would forsake an ILP disaffiliated from the Labour Party, while Maxton would be searching for a “revolutionary policy” to replace Socialism in Our Time. His early biographer, Gilbert McAllister, was, in 1935, totally dismissive of the earlier ILP policy. It was, he wrote,
a policy as remote from revolutionary idealism as anything could well be. It was, in fact, a programme of reformist policy akin in many respects to the New Deal with which President Roosevelt was later to rouse America. It advocated Family Allowances and a “Living Wage”—both desirable things but neither of them Socialism or instalments of Socialism. The man who invented the slogan, then the battle-cry of the left-wing, was one Clifford Allen, a former Chairman of the I.L.P., who was later to sit in the House of Lords, a staunch supporter of Mr. MacDonald’s National Government, hardly recognisable under the title of Lord Allen of Hurtwood.

Socialism in Our Time was, he concluded “a kind of advanced Liberalism masquerading as revolutionary Socialism.” It was “flashy, showy, and cheap,” and “the slogan itself was an unhappy one.”

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