

Responding to Classical Liberalism

Chapter

4

KEY SKILLS

Determining relationships among varied sources of information

KEY CONCEPTS

Analyzing the evolution of classical liberalism

Analyzing ideologies that developed in response to classical liberalism

Key Terms

Classical conservatism
Command economy
Communism
Feminism
Human rights
Labour standards
Labour unions
Marxism
Mixed economy
Progressivism
Socialism
Universal suffrage
Welfare capitalism

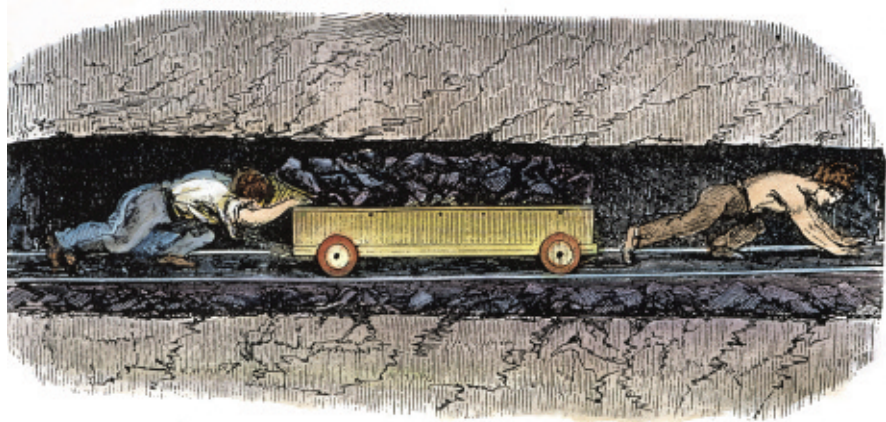


Figure 4-1 ▲

Children, called “hurriers”, taking a load of coal out of a mine in Britain, 1842. Is child labour like this still present today? Where?



Figure 4-2 ▲

Children donating their time and energy to paint a house as part of a United Way program.

It is a very frequent thing at Mr. Marshall's [at Shrewsbury] where the least [youngest] children were employed (for there were plenty working at six years of age), for Mr. Horseman to start the mill earlier in the morning than he formerly did; and provided a child should be drowsy, the overlooker walks round the room with a stick in his hand, and he touches that child on the shoulder, and says, "Come here." In a corner of the room there is an iron cistern; it is filled with water; he takes this boy, and takes him up by the legs, and dips him over head in the cistern, and sends him to work for the remainder of the day...

—evidence given to Sadler's Committee, which investigated conditions in the textile mills and produced "The Sadler Committee Report of 1832."

www.thecaveonline.com/APEH/19centurydocuments.html

Our government recognizes the importance of quality, affordable child care and the need to sustain the significant progress achieved to date...Over the past two years more than 4270 licensed child care spaces have been created in Toronto. This is helping more parents balance the demands of work and family, while giving their children access to early childhood education.

—Ministry of Children and Youth Services, "McGuinty Government Strengthens Ontario's Child Care System", July 5, 2007.

ogov.newswire.ca/ontario/GPOE/2007/07/05/c3977.html?lmatch=&lang=_e.html

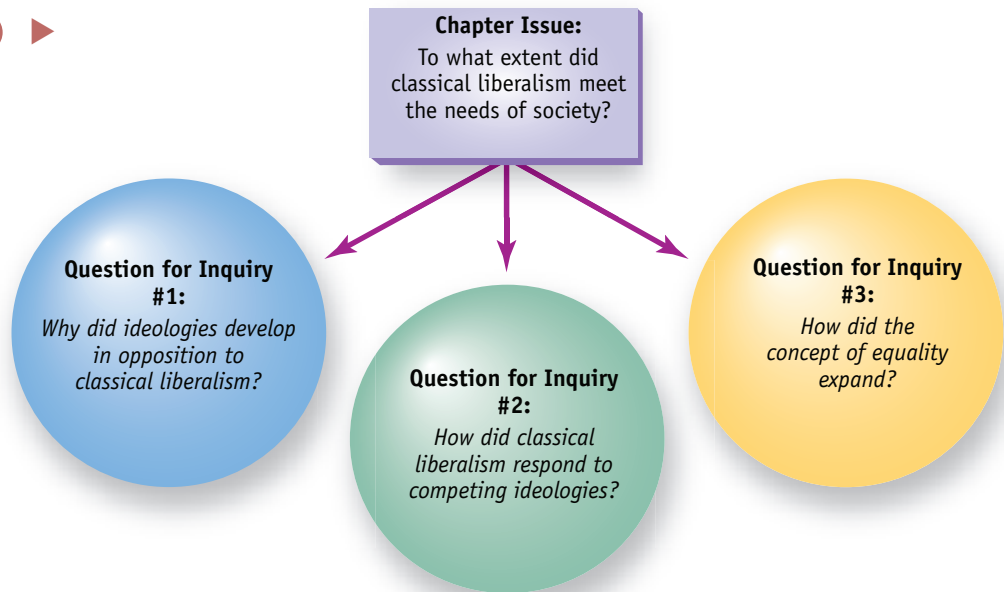
The quotations above reveal the vastly different beliefs and values between classical liberalism and modern liberalism. During the 19th century, classical liberals had achieved great success in implementing their ideas. Industrialization and laissez-faire capitalism had transformed many Western societies, but not everyone benefited equally from this transformation. Some people were excluded from the benefits of the transformation, and many were aware of injustices arising from the huge differences between the few very wealthy and the vast majority who lived in poverty. From a perspective of people who are underprivileged, classical liberalism was a failure. Some spoke of the benefits of pre-Industrial Revolution beliefs and values, while others felt that classical liberalism had resulted in a society that exploited the many for the benefit of the few. Life had changed for everyone.

Chapter Issue

Ideologies are evolutionary; they adapt and change in response to the political, economic, and social conditions and pressures of the societies in which they exist. By examining ideologies that developed as a reaction to classical liberalism and the ways that liberalism itself evolved in response to its critics, this chapter will assist you in answering the following issue: ***To what extent did classical liberalism meet the needs of society?***

One way to explore this question is to consider some of the ways in which people responded to the promotion of classical liberal ideas and practices. This will enhance your understanding by providing several perspectives on liberalism and will help you determine your own response to the question of how and why modern liberalism evolved.

Figure 4-3



Opposition to Liberalism

Question for Inquiry

- **Why did ideologies develop in opposition to classical liberalism?**

Classical liberalism and the Industrial Revolution transformed British society. A society based on agriculture and the landed classes, interventionist government, and humanitarianism became a society based on industry and the middle classes, laissez-faire government, and the pursuit of industrial efficiency.

The entrepreneurial ruling elite that flourished under classical liberalism may have lived more democratically than the old landed ruling elite, but the new ideology of laissez-faire capitalism was primarily concerned with industrial efficiency and the accumulation of wealth. These goals were considered to be more important than equality. Factories and businesses were designed to facilitate industrial processes, and workers were viewed as one component of production. Decent wages and working conditions did not lead to increased efficiency (or profits), and were therefore not considered. Government had no responsibilities in this area because it was not expected to play a role in the economy. Thus not all people saw the Industrial Revolution and classical liberalism as positive developments.

The opponents of liberalism flourished in these circumstances, and a number of new ideologies arose in opposition to classical liberalism. In this section of the chapter you will consider these new ideologies. They include Luddism, Chartism, Socialism (Utopian and moderate or democratic), Marxism, classical conservatism, welfare capitalism, the welfare state, and Keynesianism.

Grassroot Movements

Protests against the effects of classical liberalism and capitalism were many and varied. Not all of these developed into complete ideologies, but they reflected the general discontent of the times among various groups of people.

Luddites

By the early 19th century, skilled textile artisans were being replaced by machines operated by cheap, relatively unskilled labourers. The replaced workers formed a protest movement. Claiming to be led by Ned Ludd, who was thought to have been the first person to have destroyed industrial machinery in 1779, disgruntled textile workers formed the Army of Redressers in 1811. Over a six-year period, various

Figure 4-4

Why do you think the Luddites chose to attack the machines being invented during this time? What did the machines represent?



Armies of Redressers broke into factories and destroyed over 200 of the machines that would make their labour redundant and threaten their employment. The first attacks occurred in Nottingham. The idea quickly caught on, and the movement known as **Luddism** spread across the textile industry.

The government responded by declaring machine-breaking a capital offence—punishable by death—and ordered 12 000 troops into the areas where Luddites were active. A typical attack occurred on April 20, 1812, when several thousand men attacked a mill near Manchester. The mill owner, Emanuel Burton, had known that his purchase of power looms would anger the weavers, so he had hired armed guards, and these guards killed three of the Luddites. The Luddites returned the following day for another attempt. Failing to break into the factory, they burned Burton's house. When the military arrived, it killed seven men.

Violent confrontations continued throughout textile-producing areas until 1817, when the government finally managed to suppress the movement through the use of force and the law. Many more Luddites were killed or captured. Those captured were either executed or transported to penal colonies.

PAUSE AND REFLECT

In its actions against the Luddites, what main principle of classical liberalism was the British government protecting through the use of force and the law?

Chartists

Chartism was a working-class movement in Britain that focused on political and social reform. Flourishing from 1838 to 1848, Chartism got its name from the People's Charter of 1838, which outlined the six essential goals of the movement:

- universal suffrage for all men over 21
- equal-sized electoral districts
- voting by secret ballot

- an end to the need for property qualifications for Parliament
- pay for Members of Parliament
- annual elections

The electoral system had been reformed in Britain in 1832, at which time the vote had been extended to some of the male middle classes but not to members of the working class. The right to vote was considered the key to all kinds of improvements for the working class, and a variety of organizations, both moderate and radical, united in their support of Chartism as a way to modify what they considered the undesirable effects of classical liberalism.

The major initiative of the Chartists was presenting the Charter to Parliament in 1839, with 1.25 million signatures. The House of Commons rejected the Charter by a vote of 235 to 46. When some of the Chartist leaders threatened to call a general strike, they were arrested and imprisoned in Newport, Wales. Their supporters marched on the prison demanding the release of their leaders, at which point troops opened fire on them, killing 24 people and wounding 40. A second petition with 3 million signatures was rejected in 1842. The rejection of a third petition in 1848 ended the movement, and many of the Chartists then channelled their efforts into socialist movements.

The significance of the Chartists lies in their demonstration of the discontent that gripped Britain at the time. The government saw them as an unruly mob reminiscent of the French Revolution, but most of their demands were eventually implemented in the Reform Acts of 1867 and 1884.



PAUSE AND REFLECT

For what main principle of liberalism were the Chartists fighting to have recognized?

Socialist Ideologies

The term **socialism**, when used generally, refers to any ideology that believes that resources should be controlled by the public for the benefit of everyone in society and not by private interests for the benefit of private owners and investors. Socialist supporters value economic equality among citizens. This equality is achieved by providing income security for all through guaranteed employment and guaranteed living standards. Co-operation is favoured over competition. The implementation of these beliefs is dependent on a high degree of state involvement in the control and direction of the economy.

The great wealth produced by industrialization in 19th-century society was recognized by many people as a wonderful achievement. What was lacking, however, was a fair and just distribution of wealth to all who contributed to it, especially the workers.

The starting point for socialist ideologies was the reform of the political, social, and economic structures of 19th-century liberal society. Socialists rejected the lack of equality and humanitarianism in classical liberalism and deplored the social injustices that resulted. They were

concerned with the same ill effects that the Luddites and Chartists were, but unlike those movements, various forms of socialism became effective ideologies.

Utopian Socialists

In 1516, Sir Thomas More wrote a book called *Utopia*, which outlined his concept of the ideal society. The word *utopia* has since been used to refer to any imaginary, perfect world meant to serve as a model for real life. In the 19th century, Utopian socialism was applied to a school of socialist thought that emerged in opposition to classical liberalism.

The **Utopians** were essentially **humanitarians** who advocated an end to the appalling conditions of the average worker in the industrial capitalist countries of the time. Idealistic rather than pragmatic, Utopian socialists did not intend to overturn the basic political, economic, and social systems. Individuals such as Robert Owen in Great Britain, Charles Fourier and Claude Saint-Simon in France, and Horace Greeley in the United States believed that education and improved working conditions could peacefully eradicate the worst aspects of capitalism and lead to an ideal socialist society where everyone would live happily. Saint-Simon is credited with advocating the idea of a “science of society,” in which the natural laws of society, just like the natural laws of the sciences, would be used to guide progress.

Robert Owen (1771–1858) believed that the harshness of life under laissez-faire capitalism corrupted human nature. Apprenticed at the age of 10 to a draper, Owen exemplified the classical liberal belief that individuals could realize their potential if they were free to pursue their own inclinations. By the age of 19, Owen had opened his own business. In 1800, Owen became mill manager of the Chorton Twist Company in New Lanark, Scotland, the largest cotton-spinning business in Britain. He subsequently bought the business with several partners. Owen used this opportunity to put his beliefs into practice. New Lanark became a model community to demonstrate his utopian principles.

What ideas individuals may attach to the term “Millennium” I know not; but I know that society may be formed so as to exist without crime, without poverty, with health greatly improved, with little, if any misery, and with intelligence and happiness increased a hundredfold; and no obstacle whatsoever intervenes at this moment except ignorance to prevent such a state of society from becoming universal.

—Robert Owen, “Address to the Inhabitants of New Lanark,” January 1, 1816.

www.robert-owen.com

Believing that education was the key to a humane society, Owen established the Institute for the Formation of Character, which was

really a community education centre. Infants were cared for while their parents worked, and children attended school until the age of 10 (rather than 5 or 6 as was usual). At 10 years of age, they worked a 10-hour day (shorter than the usual 13-hour day), leaving them time to continue their education in the evening. Adult education was also available. In addition, the Institute sponsored free medical care, concerts, and dancing.

Owen also improved the living conditions of the workers. Existing houses were renovated, and new ones were built with an eye to comfort rather than economy. The streets were paved and regularly cleaned. Company shops with reasonable prices replaced private ones charging high prices. The village was landscaped so that the villagers could enjoy outdoor activities in their leisure time. Fines were imposed for disruptive social behaviour such as drunkenness. Owen wanted to improve all aspects of the workers' lives, including their moral character.

Owen's main interest in improving working conditions related to the hours of work and child labour. The mills were still horrific workplaces by modern standards, but he fostered a co-operative spirit between management and labour, and introduced incentives to reward good employees. The behaviour of the workers was recorded by supervisors who displayed a coloured marker by each person's workstation: black for bad behaviour, blue for indifferent, yellow for good, and white for excellent. The system was very effective and slowly the number of yellow and white markers increased.

Robert Owen devoted his life to publicizing his beliefs, writing books and journals, speaking all over Britain, and proposing factory reform to Parliament. He summed up his vision of society in 1841:

It is therefore, the interest of all, that every one, from birth, should be well educated, physically and mentally, that society may be improved in its character, that everyone should be beneficially employed, physically and mentally, that the greatest amount of wealth may be created, and knowledge attained, that everyone should be placed in the midst of those external circumstances that will produce the greatest number of pleasurable sensations, through the longest life, that man may be made truly intelligent, moral and happy, and be thus prepared to enter upon the coming Millennium.

—Robert Owen

www.robert-owen.com

Unlike the Utopians, who wanted only to modify classical liberalism, other socialist ideologies contemplated fundamental changes to society's structure. According to these socialists, the great evils in society were perpetuated by the concept of private property, which allowed industrialists to control the economy. The socialist intent was to encourage governments and the institutions of capitalism—banks,



Figure 4-5 ▲

New Lanark has been restored and became a UNESCO World Heritage Site in 2001.

industry, commerce, and services—to rethink their purposes and consider replacing the liberal ideology of individualism and limited government.

Socialist thought ranged from moderate and democratic social reform to radical revolutionary Marxism. Socialists agreed on the following beliefs and values:

- Private ownership of the means of production permits exploitation.
- The state should direct the economy to achieve economic equality for all citizens.
- Society should be classless.

While sharing common views, socialists differed greatly in the methods they advocated for achieving their goal of transforming liberal capitalist society.

Marxism

The term **Marxism** was never used by Karl Marx (1818–1883). A group of French socialists, among them Jules Guesde and Benoît Malon, coined the term in the 1880s. Karl Marx himself, on hearing about some of the things these so-called followers were doing, proclaimed that he was not a Marxist. Marx spent three years in France and wrote about the ideas of Jean-Jacques Rousseau and other early socialists, but rejected these ideas for not being scientific enough.

Marxism is a radical form of socialism, often called **scientific socialism** or **communism** to distinguish it from other socialist ideologies. Marx developed a theory that history is the story of evolving class warfare. According to Marx, the only way to overthrow capitalism was by means of a class struggle between the proletariat (workers) and the bourgeoisie (owners). He argued that this workers' revolution was necessary before any significant changes could be made in society.

Marx collaborated with Friedrich Engels to write *The Communist Manifesto* in 1848. Marx believed that economics was the foundation of society and the means of production, such as factories, needed to be in workers' hands. Marx and Engels elaborated many of the principles of scientific socialism, albeit briefly, in this document, outlining how the proletariat would gain the means of production.

1. *Abolition of property in land and application of all rents of land to public purposes.*
2. *A heavy progressive or graduated income tax.*
3. *Abolition of all right of inheritance.*
4. *Confiscation of the property of all emigrants and rebels.*
5. *Centralization of credit in the hands of the state by means of a national bank with state capital and an exclusive monopoly.*
6. *Centralization of the means of communication and transport in the hands of the state.*

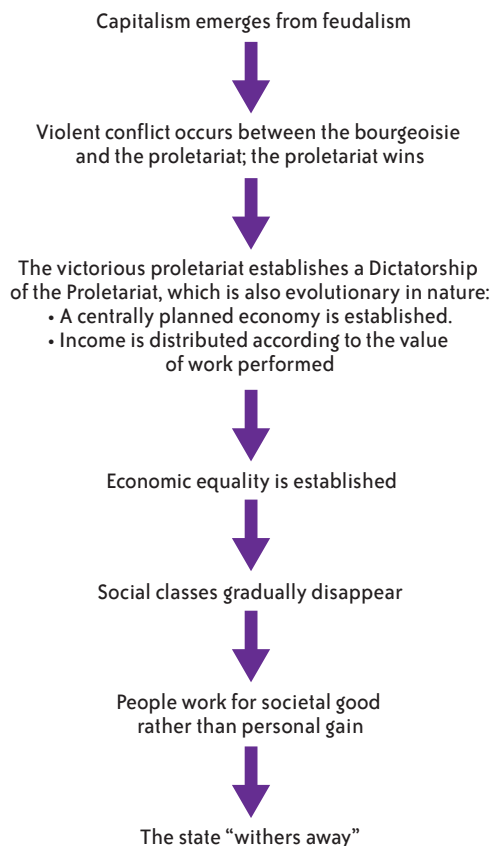


Figure 4-6 ▲

The evolution of society according to Marx

7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan.
8. Equal obligation of all to work. Establishment of industrial armies, especially for agriculture.
9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country by a more equable distribution of the population over the country.
10. Free education for all children in public schools, abolition of child factory labour in its present form. Combination of education with industrial production.

—Karl Marx and Friedrich Engels, “Proletarians and Communists,” *Manifesto of the Communist Party*, 1848.

<http://www.anu.edu.au/polsci/marx/classics/manifesto.html>



PAUSE AND REFLECT

How are these Marxist ideas a response to classical liberal ideas in society?

The abolition of private property and the centralization of the means of production (such as factories and machinery) in the hands of the state would become essential characteristics of the economy of countries that implemented Marxist ideas and communism. For example, the Soviet Union, China, and North Korea each developed a centrally planned economy or **command economy**. In a free market, competition and the forces of supply and demand determine which goods are produced, how they are produced, and at what prices they are sold. In a command economy, government planners make these decisions.

Politically, socialism struggled to make inroads against classical liberalism. While moderate democratic socialism resulted in some very successful political parties, Marxist parties had much less success in classical liberal societies. The French Communist Party (PCF) is an example of the path that more militant socialist parties took.

Socialism in France split into two movements following the First World War—moderate democratic socialists under Léon Blum, and communists (Marxists) who were affiliated with Moscow-based international communism. The socialists were non-violent in their search for the ideal socialist world, while the communists were more pragmatic and focused on Lenin and the achievement of communism in the Soviet Union through opportunism and revolution. This dichotomy is described in the following quote.

When Léon Blum became the head of the Socialist Party, for reasons of party discipline he accepted the doctrine of Karl Marx...But that does not alter the fact that there is a profound difference between his conception of Socialism, in which he sees a force that will bring about the moral regeneration of mankind, and that of the orthodox Marxists who base their belief purely on materialistic premises and on the determinism of economic forces.



The Voice of Moderate Socialism

The Fabian Society was founded in London, England, in 1884. Many of its original members were prominent intellectuals, academics, and writers: George Bernard

Shaw, H.G. Wells, Virginia Woolf, and Emmeline Pankhurst. Later, philosopher Bertrand Russell and economist John Maynard Keynes joined the group. The Fabians were instrumental in the formation of the British Labour Party in 1900, and two of Great Britain's recent Labour prime ministers, Tony Blair and Gordon Brown, are both members of the Fabian Society. Since the society's inception, the Fabians have favoured a gradual and incremental reform of liberalism toward the principles of socialism. The members of the Society have publicized the need for reform through their writings, which deal with prevailing social problems, and through lobbying in the political arena.

The man who pretends that the distribution of income in this country reflects the distribution of ability or character is an ignoramus.

—G. Bernard Shaw, “Socialism and Superior Brains:
A Reply to Mr. Mallock,” *The Fabian Socialist Series, Number 8, 1910.*

<http://www.marxists.org/reference/archive/shaw/works/brains.htm>

In Canada, the Co-operative Commonwealth Federation (CCF) was a moderate and democratic socialist party founded in Canada in 1933, in the depths of the Great Depression, at a time when laissez-faire capitalism seemed to be failing. In reaction to classical liberalism, the CCF stated its ideology in the *Regina Manifesto*. This manifesto was adopted at the CCF's first national convention, which was held in Regina, Saskatchewan, in July 1933. The CCF merged with labour groups to form the New Democratic Party in 1961.

The CCF is a federation of organizations whose purpose is the establishment in Canada of a Co-operative Commonwealth in which the principle regulating production, distribution and exchange will be the supplying of human needs and not the making of profits.

We aim to replace the present capitalist system [classical liberalism], with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality will be possible. The present order is marked by glaring inequalities of wealth and opportunity, by chaotic waste and instability; and in an age of plenty it condemns the great mass of the people to poverty and insecurity. Power has become more and more concentrated into the hands of a small irresponsible minority of financiers and industrialists and to their predatory interests the majority are habitually sacrificed...

The new social order at which we aim is not one in which individuality will be crushed out by a system of regimentation. Nor shall we interfere with cultural rights of racial or religious minorities. What we seek is a proper collective organization of our economic resources such as will make possible a much greater degree of leisure and a much richer individual life for every citizen.

This social and economic transformation can be brought about by political action, through the election of a government inspired by the ideal of a Co-operative Commonwealth and supported by a majority of the people. We do not believe in change by violence.

—Co-operative Commonwealth Federation, **Regina Manifesto.**

economics.uwaterloo.ca/needhdata/Regina_Manifesto.html

- 1 Explain Shaw's critique of classical liberalism.
- 2 In what ways does the program of the CCF demonstrate opposition to classical liberalism?
- 3 What connections to the Great Depression exist in the Regina Manifesto?
- 4 To what extent does the program of the CCF respond to issues in society at that time?
- 5 How can you tell that the CCF was a democratic socialist party?

This difference is even more marked when one compares the temperament of the Socialists...and that of the Communists. Both want to replace the existing order by another, but...the Socialists believe that Collectivism can come to pass only when the people are prepared to accept it...The Socialists hope that the people will be educated, or educate themselves, into appreciating the advantages of a collectivist society...

—Raoul de Roussy de Sales, "Léon Blum,"
The Atlantic Monthly, October 1937.

<http://www.theatlantic.com/doc/193710/leon-blum/2>

Nonetheless, two socialist factions and the communist party formed a coalition during the 1936 elections, and Léon Blum was elected the first socialist prime minister of France. His coalition government lasted only a year, however, partly because of disagreements over economic policy.

By the 1930s, Marxism had become very popular in France and elsewhere among intellectuals and writers. The Soviet Union enjoyed great prestige as it flourished economically during the Great Depression, which seemed to demonstrate clearly that economic liberalism had failed. Canadian surgeon Norman Bethune, for example, following a visit to the Soviet Union in the mid-1930s, joined the Communist Party. He then went to Spain and to China to help socialists and communists who were involved in armed struggle for political control in their respective countries. Communist ideas and theories remained influential in France of the 1950s and 1960s among intellectuals such as Jean-Paul Sartre and Simone de Beauvoir, and some principles of Marxism found a voice in environmentalism and feminism, but the communist political movement faded away as a major factor in French politics. That said, a number of French presidents and prime ministers in the decades following the Second World War were members of the Socialist Party.



Figure 4-7 ▲

In 1793, King Louis XVI of France was executed, sending shock waves throughout the monarchies and aristocracy of Europe. To what extent do you believe that democratic liberal governments today should have laws related to capital punishment to help provide “law and order” in society?

Classical Conservatism

As you read earlier, Luddites destroyed the machinery of industry in an attempt to preserve the benefits of the world they had previously known. Due to their opposition to industrialization and modernization, the Luddites can be considered reactionary. The word *reactionary* is derived from the French word *réactionnaire*, which came into use at the time of the French Revolution to describe the opponents of the Revolution. Synonyms for *reactionary* are *conservative* or *the Right*, in reference to the political spectrum. All these terms are used to refer to any ideology that supports a return to a previous state of affairs.

The Luddites were not the only reactionaries of the times. The development of **classical conservatism** was also a reaction to classical liberalism. Edmund Burke (1729–1797) viewed the events of the French Revolution from Britain and is identified with the development of the ideology of classical conservatism. Burke was a contemporary of the influential classical liberal Adam Smith, about whom you read in Chapter 3, but Burke came to different conclusions when faced with the same political, economic, and social realities. He did not accept the beliefs and values of classical liberalism, preferring those of the pre-industrial past. He believed that government represented not only the will of the people presently living, but also the legacy of people who had gone before, and the inheritance of those yet to come. Change, therefore, could not be dictated by the whims of the present generation. Change, if it came at all, had to honour the citizens of the past and the future.

Burke was not a political philosopher and never attempted to set out his ideas in an organized way. He reacted to the political issues of the day. Horrified by the extremes of the French Revolution, Burke used these as an example of the flaws of following the values of equality, individualism, and freedom. Burke believed that established institutions, run by the educated people of society, were necessary to control the irrational passions of the uneducated masses. According to Burke, the only reason to make changes to these institutions was to preserve them from the radical or revolutionary change demanded by the masses.

Burke’s was one voice among many. Burke and other classical conservatives shared a set of beliefs:

- Society is an organic whole that should be structured in a hierarchical fashion with those best suited to leadership at the top, because people do not have equal abilities.
- Government should be chosen by a limited electorate with special rights, responsibilities, and privileges.
- Leaders should be humanitarian—their role includes the responsibility to care for the welfare of others.

- The stability of society is the paramount concern, to be achieved through law and order and the maintenance of the customs and traditions that bind society together.

While Burke supported established government, he did not support tyranny in any form, whether in a monarchy or in a less organized government structure. He thus viewed the American Revolution (1775–1783), which led to orderly government, quite differently from the French Revolution (1789–1799), which included mass executions, civil disorder, wars against foreign countries, and a failure to establish a stable government. While Burke deplored the conduct of the bankrupt and irresponsible pre-revolutionary French government, he was outraged by the conduct of the French revolutionaries, regarding it as the natural result of liberalism’s emphasis on equality and individual freedom. He did not think that all individuals were equally capable of participation in the affairs of the country. According to Burke, uninformed people should not have a say in government; government should be left to those who naturally understood their duties to the country and the people, those with experience and wisdom. Burke predicted that Rousseau’s concept of the “general will of the people” was an unrealistic, unnatural, and ultimately dangerous idea that would lead to rule by the mediocre, uneducated, and disinterested. He believed this would end in chaos.

We owe an implicit reverence to all the institutions of our ancestors.

—Edmund Burke, *A Vindication of Natural Society*, 1756.

In a democracy, the majority of the citizens is capable of exercising the most cruel oppressions upon the minority.

—Edmund Burke, *Reflections on the Revolution in France*, 1790.

Classical conservatism, socialism, and communism were responses to classical liberal ideologies and reveal other ideological perspectives that groups of people have held and continue to hold in societies around the world.



PAUSE AND REFLECT

Why would Burke value established institutions and believe that society should value them as well? Why would he be so emphatically opposed to the actions taken in France at this time?

Explore the Issues

Concept Review

- 1 a) Identify five examples of ideologies that developed in response to classical liberalism.
b) Create an organizer to outline the similarities and differences between these ideologies.

Concept Application

- 2 Why did ideologies develop in response to classical liberalism? What classical liberal beliefs and values were challenged by these new ideologies?
- 3 Did the new ideologies provide the means to a better life for those living in the 19th century? Why or why not?

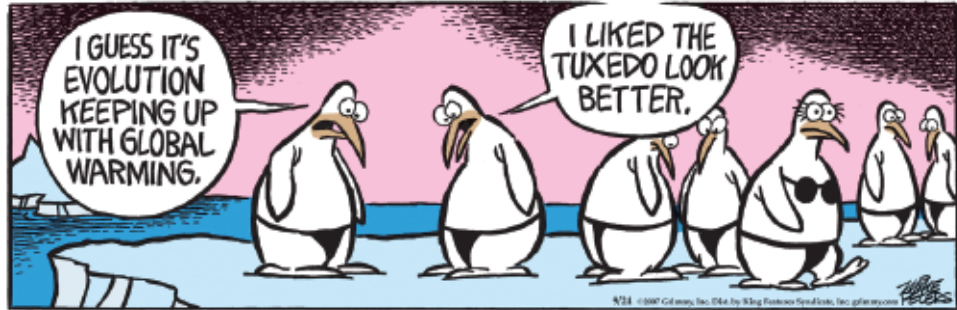
The Liberal Response

Question for Inquiry

- How did classical liberalism respond to competing ideologies?

Figure 4-8

What is the artist of this cartoon saying about change and adaptation?



Classical liberals gradually came to see the merits of some of their opponents' views and modified the practical applications of some of their values and beliefs. As we examine these developments, keep the principles of classical liberalism—individual rights, private property, economic freedom, and the rule of law—in mind as you develop a response to the Chapter Issue: *To what extent did classical liberalism meet the needs of society?*

Welfare Capitalism

The socialist critique of classical liberalism undermined the political, social, and economic foundations of the classical liberal state. Rather grudgingly, classical liberals began to recognize that some modifications were necessary. The basic premise for these modifications was an acceptance of the notion that laissez-faire capitalists needed to consider the rights of workers and develop a social conscience. Often, especially in the United States, entrepreneurs and industrialists tried to head off the growing demand for **labour unions** and the actions of governments interested in providing social programs, often called a “safety net”, for ordinary workers. Many industrialists began to provide their workers with non-monetary rewards to earn their loyalty. For example, George Pullman, the inventor of sleeping cars on trains, built a village for his workers similar to Robert Owen’s New Lanark, but Pullman’s motivation was not humanitarian: his goal was to prevent labour unrest by responding to some of his workers’ complaints. In America, the term **welfare capitalism** referred to these kinds of initiatives by industrialists. In the rest of the industrialized world, however, *welfare capitalism* referred to a classical liberal economic system combined with a

government that used legislation to give workers protections such as limited working hours and a minimum wage, and a safety net with features like pensions and medical insurance.

The legislative journey to workers' rights was a long one. Britain, for example, passed a series of Factory Acts, beginning in 1810. Each act gradually improved the working conditions in factories, decreased working hours, regulated the age at which children could be employed, and regulated the number of hours women and children could be required to work. In Germany, the government introduced a law providing leave for illness and maternity in 1883, provided insurance for job-related injuries in 1884, and passed an old-age assistance law in 1889. Over time, many such laws followed in all liberal democratic countries.

From today's perspective, it is easy to look at this kind of government legislation as a logical and acceptable approach to correcting the excesses of classical liberalism. This was not the case at the time, however. Capitalists did not gladly or easily give way to new ways of thinking about society's responsibilities.

American president Theodore Roosevelt (1901–1909) was a reformer who showed his desire to curb the excesses of laissez-faire capitalism early in his presidency. In May 1902, 50 000 United Mine Workers (a union) of northern Pennsylvania walked out, demanding a 10–20 per cent raise, recognition of their union, an 8-hour workday, and fringe benefits. The mine owners refused all their demands and called on Roosevelt to call out the army against the workers. Instead, Roosevelt threatened to call out the army against the owners if they continued to refuse to negotiate. This was an almost unheard-of threat. Roosevelt coined the term *square deal* at this time to signify that both labour and capital must be treated fairly. Roosevelt forced the mine owners into arbitration and a compromise settlement was reached. More information about Roosevelt's responses to laissez-faire capitalism is in Chapter 6.

After his second term as president, Roosevelt went on to found a new political party in 1912—the National Progressive Party—whose platform contained a new kind of liberalism, sometimes referred to as **progressivism**. Roosevelt founded the new party because the Democrats and Republicans were so resistant to change. In the party's platform were the following clauses:

- *The Progressive party, believing that no people can justly claim to be a true democracy which denies political rights on account of sex, pledges itself to the task of securing equal suffrage to men and women alike.*
- *The supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledge ourselves to work unceasingly in State and Nation for:*
 - *Effective legislation looking to the prevention of industrial accidents, occupational diseases, overwork, involuntary unemployment, and other injurious effects incident to modern industry;*



PAUSE AND REFLECT

What are the possible reasons for the different interpretations of the term *welfare capitalism*? In what ways were these differences a reflection of individualist or collectivist ideological positions?

PAUSE AND REFLECT

The National Progressive Party was formed because of an unresponsive political structure in the United States at the time. Identify three principles that this new party hoped to implement that challenged classical liberalism.

- The fixing of minimum safety and health standards for the various occupations...;
- The prohibition of child labor;
- Minimum wage standards for working women, to provide a “living wage” in all industrial occupations;
- We favor the union of all the existing agencies of the Federal Government dealing with the public health into a single national health service...to perform efficiently such duties in the protection of the public from preventable diseases...

— “Progressive Platform of 1912.” TeachingAmericanHistory.org.

www.teachingamericanhistory.org/library/index.asp?documentprint=607

Most of the early legislation based on the principles of welfare capitalism was oriented toward the workplace. Aside from a few exceptions, the legislation did not include non-workplace issues such as child poverty, disability, housing standards, education, or other circumstances where individuals might need some sort of government assistance. In addition, with the onset of the First World War, reforming zeal died down. Governments became preoccupied with the war effort and needed the support of industrialists to ensure sufficient war supplies.

Welfare State

The movement from welfare capitalism to the **welfare state** was spurred by the **Great Depression**. Widespread business failures and impoverishment called laissez-faire capitalism into question in a way never before experienced. It seemed to provide concrete evidence that the existing political, social, and economic order had failed. The Great

Figure 4-9

Men sharing a room out of economic necessity in Canada in the 1930s during the Great Depression. Many people felt it was imperative to prevent a recurrence of the economic conditions during the Great Depression that created so much suffering for people.



Depression became a catalyst for change, and what began to emerge was **modern liberalism** as we know it today.

The Great Depression was not caused by any single event, but it was a direct result of a free-market economic system. During the 1920s, mass production and consumer spending reached new heights. The 1920s were the years of electrification of the countryside, of communications innovations, of a consumer explosion as people bought new fridges and radios, and of the beginnings of the automobile culture. Unemployment was low, wages were increasing, hundreds of thousands of people were now able to buy their own homes, and it seemed like progress would continue forever.

America had become the breadbasket for Europe during the First World War, because French grain fields had been destroyed by trench warfare. America's western lands were opened to more and more settlers, and grain production was increased dramatically to feed the people of Europe. When the war ended in 1918, American fields continued producing and this continual increase lifted the entire economy. Things were going so well that factories were producing more goods than people could buy. Companies turned to the new tool of advertising to entice people to buy their goods. Many people were buying "on time," that is, paying for their purchases on credit. Credit was used to purchase stocks as well, and the stock market was rife with speculation.

Then, unexpectedly, the grain fields of France began producing again. The world market for grain was flooded and the price of grain crashed. This signalled the beginning of a general rush of people to sell their stocks. In September and October of 1929, the stock market fluctuated wildly. Despite efforts to bolster the market and retain investor confidence, panic selling began on October 24 and the market crashed on October 29.

The stock market crash began an interrelated series of events that resulted in the Great Depression. Banks failed as people withdrew their money. Factories closed, causing unemployment, and unemployment, in turn, resulted in even more factory closures as the unemployed could no longer afford to buy goods. International trade declined as countries instituted tariffs to protect domestic manufacturing.

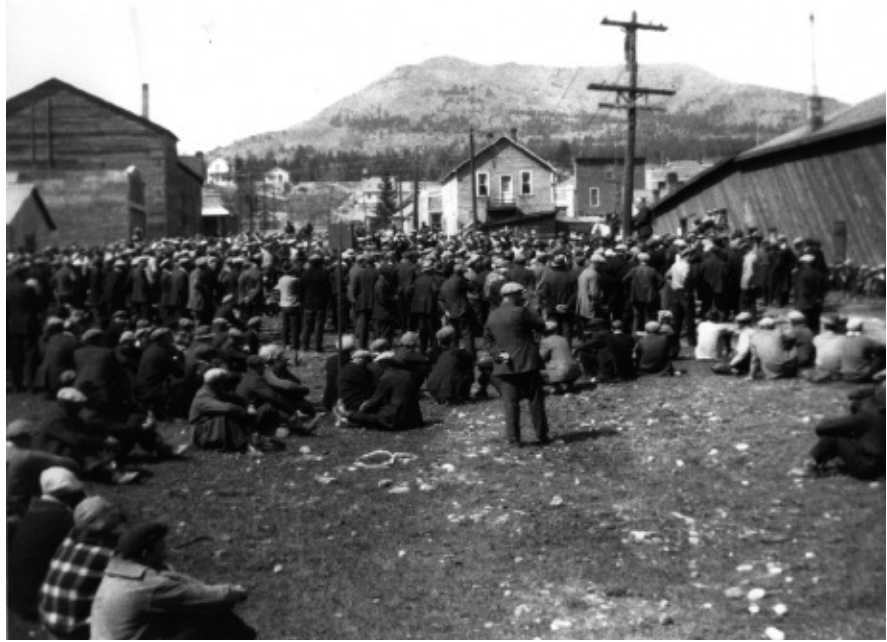
Influence of the Great Depression on Labour:

A Canadian Example

Political leaders in the democracies were baffled by the Depression and were concerned that their citizens would turn increasingly to socialism or, more worryingly, toward communism as the economy sank ever deeper into trouble and more and more workers became embittered. Events seemed to prove these fears well founded when Crowsnest Pass coal workers went on strike in 1932.

Figure 4-10

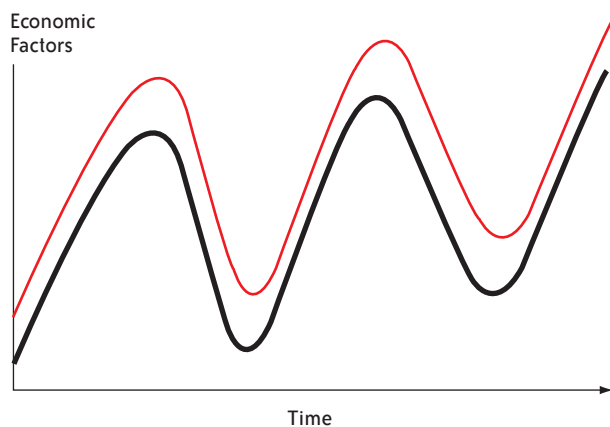
A rally in Coleman during the Crowsnest Pass coal strike, 1932. What was at stake for both strikers and employers in this strike?



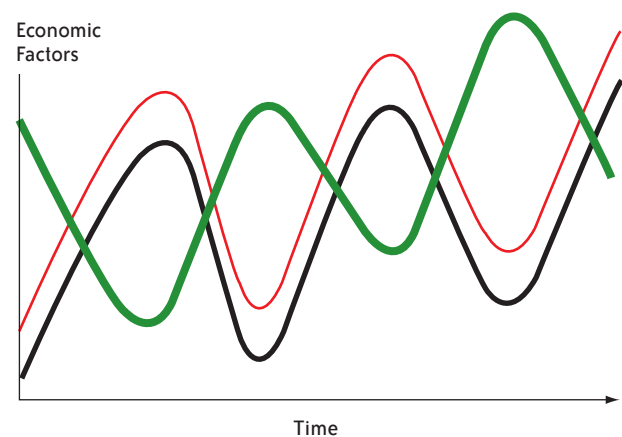
Initially part of the United Mine Workers of America, the Crowsnest Pass miners left this union and regrouped as the Mine Workers Union of Canada (MWUC). The American union could not seem to get action on their grievances, and the miners had grievances indeed. In an attempt to cope with the Depression, the mine management lowered both hours and the already low wages even more.

The MWUC was composed primarily of moderates but did have a militant left-wing that managed to take the union over in 1932. The MWUC then joined the Workers Unity League, an organization sponsored by the Communist Party of Canada. The MWUC called a strike that turned into one of the most bitter strikes in Canada.

Business Cycle Before Government Intervention



How Keynes Suggested that Government Intervene



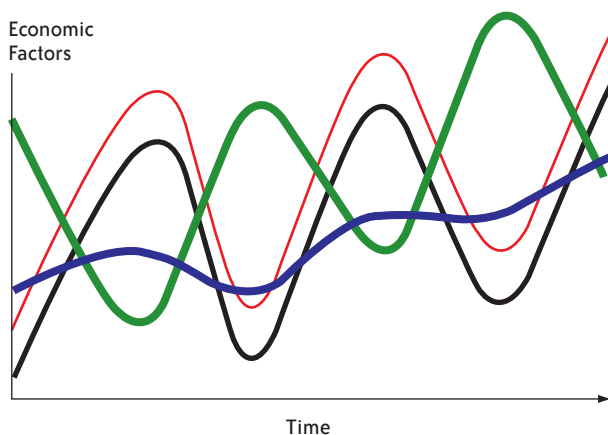
It lasted seven months. Both sides claimed victory at the end—the miners claimed to have prevented further pay cuts, and the employers claimed that they had eliminated the militants from the MWUC. Whatever the case may be, the strike appeared to be a “red conspiracy” to government and capitalists.

Keynesian Economics

As the 1930s progressed, the recession deepened and no one seemed to be able to do anything about it. John Maynard Keynes (1883–1946), a British economist, studied the Depression and developed a new economic theory. He believed that classical liberal economic theory, the basis for the market economy, was based on a fundamental error. Classical liberals believed that there would be full employment if supply and demand were in balance. Keynes used the Great Depression as proof that this was not true. He stated that the economy was essentially unstable and a balance between supply and demand would not necessarily result in full employment because in times of stress, people hoarded money and failed to invest in the economy, thereby creating and prolonging a recession.

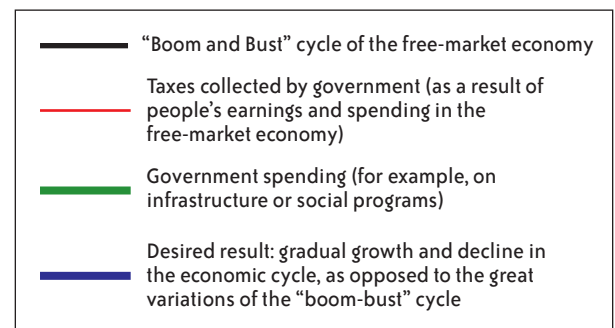
Keynes wanted to avoid the destructive and unpredictable roller-coaster ride of this unregulated market system during which millions of ordinary people lost their jobs, savings, and homes. According to Keynes’s analysis, periods of inflation (the increase in the general price level of products, the cost of labour, and interest rates) are followed by periods of recession. Because the price of everything rises too high during the inflationary cycle (so factories cannot sell their products and cannot afford their workers), companies shut down and workers lose

Anticipated Result of Government Intervention



▼ **Figure 4-11**

The Keynesian demand-side role of government in managing the economy.
 Step 1: Before government intervention
 Step 2: With government intervention
 Step 3: Government intervention smoothes out the “boom and bust”



their purchasing power. This slowdown affects other companies, who also cut back. A recession, if long and severe enough, becomes a depression. The Great Depression was only the worst of a series of wild fluctuations in the economy throughout modern history, and Keynes felt he had a relatively easy solution to this problem.

The market system is driven by the simple laws of supply and demand. When goods are plentiful, prices come down, and when they are scarce, prices go up. This holds for labour and all other components of the market, including interest rates. For defenders of classical liberalism, who dislike government interference in the economy, this variable characteristic of the market economy is like a natural law. If everyone knows that good times are followed by bad times, then it is everyone's responsibility to save for the bad times. Classical liberals see no reason for governments to get involved in the economy, believing individuals should be responsible for their own financial situations. Keynes felt that few individuals could successfully predict the vagaries of the market, and thus most ordinary people would inevitably suffer. He felt he had a better solution.

Keynes argued that the economic cycle of inflation followed by recession was caused by one factor: consumer demand. All that was required to moderate market fluctuations was for someone, or something, to regulate consumer demand. During inflationary times, such as the 1920s, governments through their central banks should raise interest rates, raise taxes, and reduce government spending on such things as road building. These simple acts would drain surplus money from the economy and "cool down" inflationary demand. As the economy cooled and approached a recession, the government and its central bank would lower interest rates, decrease taxes, and increase government spending, even if this resulted in a temporary deficit. Deficit spending was an essential and radical part of his new theory. These actions would have the effect of pumping money back into the economy and this would cause the economy to grow again. Any deficit that the government incurred during this time would be eliminated during the next phase of the inflationary cycle. The government, according to Keynes, would regulate demand by manipulating the supply of money available to producers and consumers.

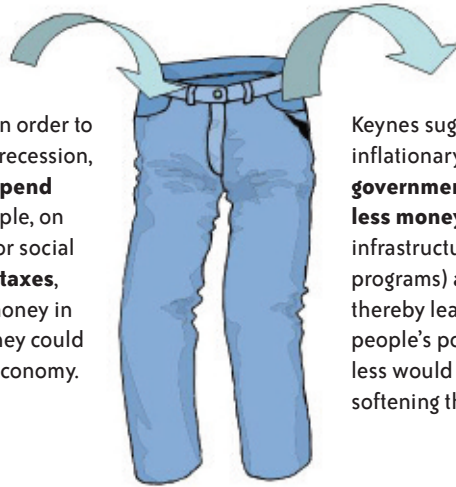
This application of monetary and fiscal policy would lessen the effects of both inflation and recession and would still leave the free-market system largely intact. ("Monetary policy" refers to actions taken by the central bank of a country to control the supply of money. The most common tools used in monetary policy are raising or lowering interest rates, and printing or destroying money. "Fiscal policy" refers to the direct taxing and spending functions of governments. Governments can raise or lower taxes, and raise or lower their spending on projects and programs. Governments are usually the biggest single spender in a modern economy, so these decisions have a direct effect on the economy of the country.)



PAUSE AND REFLECT

To what extent can Keynes be considered the originator of the mixed economy, also referred to as "the modified market economy"?

Keynes suggested that in order to lessen the severity of a recession, **governments should spend more money** (for example, on infrastructure projects or social programs) **and reduce taxes**, thereby leaving more money in people's pockets that they could spend or invest in the economy.



Keynes suggested that during inflationary ("boom") times, **governments should spend less money** (for example, on infrastructure projects or social programs) **and increase taxes**, thereby leaving less money in people's pockets. People spending less would have the result of softening the "boom".

Figure 4-12

On which side would the government be running a "deficit budget"? According to the model, how would the government eventually pay for this deficit?

Keynes's theory became known as *demand-side economics*. Keynes argued that even in a liberal democratic society, government could and should play an important role in safeguarding all citizens from economic uncertainty. The effects of Keynesian intervention during the Great Depression are explored further in Chapter 6.

Keynes's Theories in Practice: The Advent of the Welfare State

Franklin D. Roosevelt, president of the United States from 1933 to 1945 (and distant cousin of Theodore Roosevelt), was the first convert to Keynes's theories. He implemented massive public works programs to put people to work. Called the "New Deal", an echo of Theodore Roosevelt's "square deal," it consisted of a series of programs from 1933 to 1938. As well as providing employment through massive projects such as the Tennessee Valley Authority, which built dams to generate electricity. New Deal programs provided emergency relief, reformed the banking system, and tried to invigorate agriculture and the economy. Other programs attempted to redistribute power and resources.

This new attitude toward the government's role in the economy represented the beginning of the shift to the welfare state and a mixed economy, where free-market principles are combined with some degree of government intervention. These early beginnings of the welfare state were solidified following the Second World War by the passage of legislation that made sure that the state looked after all citizens. By the late 1950s and 1960s, the welfare state was a reality in most democratic countries including Canada, and modern liberalism was in place. In Chapter 6, you will read more about Roosevelt's response to the Great Depression, as well as the development of the welfare state in Canada.

Explore the Issues

Concept Review

- 1 Identify three ways in which classical liberalism responded to competing ideologies.

Concept Application

- 2 Chart the evolution of classical liberalism to the welfare state and modern liberalism. Who might disapprove of this “evolution”? What perspective would these people hold? What values and beliefs would lead these people to hold this perspective?
- 3 Look at the spectrum shown in Figure 4-13. Determine where the following individuals would be placed on that spectrum: Karl Marx, Edmund Burke, Robert Owen, Theodore Roosevelt, John Maynard Keynes, Franklin D. Roosevelt, and Claude Saint-Simon.
- 4 Are you a critic or a supporter of the welfare state? Explain your answer.



Figure 4-13



Evolution of ideologies and economic systems in Europe

Nineteenth-Century Conflict between Labour and Capital

The Haymarket Riot occurred on May 4, 1886, in Chicago, following a violent confrontation between workers and police at the McCormick's factory. This was the era of the eight-hour movement—the demand to shorten the working day from ten to eight hours—which employers were strongly resisting.

Labourers in Chicago at that time included some militant people, usually identified as newly arrived immigrants from Europe, particularly Germany, where socialism was more influential than it was in the United States. This militant element was an important factor in the subsequent trial and helped shape much of the public reaction to the Haymarket Riot.

Beginning as a labour demonstration to support striking workers, it ended as one of the more significant confrontations between labour and capital in the 19th century. During the course of the demonstration, a bomb was thrown at the police who were intending to break up the rally and killed one of the officers. Seven police officers and an unknown number of demonstrators died in the ensuing gunfire. Eight anarchists involved in organizing the demonstration were tried for murder in the ensuing trial, which garnered worldwide attention. The bomb-thrower was never identified, but all eight defendants were found guilty: four of the eight accused men were hanged (one being August Spies), one committed suicide in prison, two received life sentences (one being Samuel Fielden), and one received a 15-year sentence. The trial was known to have been rigged even while it was proceeding. Six years later, the governor of Illinois determined that all eight had been innocent, and pardoned the three surviving men.

Your Task: To develop a greater appreciation of the ideological conflict between labour and capital under laissez-faire capitalism, read the following excerpts that outline a variety of perspectives on the Haymarket Riot.

Your task is to link the perspectives demonstrated in the excerpts to the ideologies, or the opposition to the ideologies, discussed in this chapter: utopian socialism, Marxism, moderate socialism, classical conservatism, and modern liberalism. To help you in this task, try to determine the reasons for the various perspective on the issues discussed in each excerpt. Note that the language used in many of the excerpts is intentionally strong and offensive—the custom of newspapers of the period. Use the Questions to Guide You for assistance.

Excerpt 1: A newspaper account of the arrest of one of the labour leaders

One hour later Detectives Ryan, Costello and Slayton marched proudly into headquarters, having in their midst that despicable, blatant coward, Samuel Fielden. He had been captured at his home, No. 110 West Polk Street, roused out of bed and compelled to limp to the Central station. Unfortunately he was but slightly wounded at the Haymarket square riot. A spent ball hurt the knee cap somewhat, just enough to make it extremely painful. He is a villainous-looking fellow at best, of heavy, stocky build, shoulders broad and slightly stooped, large hands, and muscular arms. His head is covered with a thick growth of frowsy rat-colored hair, and his face is almost hidden in a mass of whiskers resembling moss-hair. The expression of his countenance as a prisoner was in great contrast to that as a murder-preaching devil. He it was who made the last speech to the socialist crowd on Tuesday night. Then, mounted on a platform, his face contorted in a most fiendish shape, he harangued and urged his listeners to pillage and kill. He was in his element and felt safe in his backing. Yesterday, however, his visage was one of extreme despair and fear. The brutal look had given place to one of fearful anxiety, and as he was led into the secret room of the police he cast his little ratty eyes about from face to face looking in vain for a friendly countenance.

Source: *Chicago Times*, May 6, 1886.
Eastern Illinois University.

http://www.eiu.edu/~localite/PastTracker/Industry&Labor_1886May6ChicagoTimes.pdf

Excerpt 2: A newspaper account of the role of the police and labour following the riot

This morning Inspector Bonfield went to Zipp's [Zepf's] Hall, corner of Lake and Desplaines street[s], and closed the saloon and hall. In the building they found several muskets, some red flags and a large mass of socialist documents. There were some books and correspondence which was in German. As far as they have been translated nothing treasonable or opposed to good order was found...

Grief's Hall, at 54 West Lake Street was next visited. A meeting of freight-handlers was in session. After a conference with Inspector Bonfield, the President of the association invited him to address the boys. He went in and was introduced to the striking freight-handlers. The President said: "Men, every one of you raise your right hands and swear that you have no sympathy with the socialists who committed the dreadful crime of last night, and that you deprecate all misrule and will do your level best to keep the peace from being broken, and that you will do your part as good citizens to protect men and property from any harm." Every man raised his hand and emphasized his answer with a lusty "I will." Inspector Bonfield made them a little speech, and advised them to avoid assembling in crowds upon the streets, and especially not to march in procession. He gave them a lot of good advice about avoiding even the appearance of evil, and withdrew...

Source: *Chicago Evening Journal*, May 5, 1886.

Eastern Illinois University.

http://www.eiu.edu/~localite/PastTracker/Industry&Labor_1886May6ChicagoTimes.pdf

Excerpt 3: A quote from Samuel Fielden

"The Socialists," he said, "are not going to declare war; but I tell you war has been declared upon us; and I ask you to get hold of anything that will help to resist the onslaught of the enemy and the usurper. The skirmish-lines have met. People have been shot. Men, women, and children have not been spared by the ruthless minions of private capital.

It had no mercy. So ought you. You are called upon to defend yourselves, your lives, your future. What matters it whether you kill yourselves with work to get a little relief or die on the battle-field resisting the enemy? [Applause.] What is the difference? Any animal, however loathsome, will resist when stepped upon. Are men less than snails or worms? I have some resistance in me. I know that you have too. You have been robbed. You will be starved into a worse condition."

Source: Sam Fielden, quoted in "A Hellish Deed: A Dynamite Bomb Thrown into a Crowd of Policemen." *Chicago Tribune*, May 5, 1886, in "The Haymarket Riot and Trial: Selected Newspaper Articles." University of Missouri-Kansas City School of Law.

www.law.umkc.edu/faculty/projects/ftrials/haymarket/haymarketnews.html

Excerpt 4: A newspaper article about the anarchist

The war is over, unless indications are out of joint. The Anarchist has sought his hole and is burrowing as deeply as fear and the police will allow him. His braggadocio is a thing of the past, and when he comes within sight of a blue coat he no longer looks ferocious and shakes his fist; he has an attack of ague and slinks out of sight like a whipped hound. The police enjoy the situation. They feel that the public is on their side and handle their clubs with a vim they lacked a week ago. Woe to the Anarchist who forms the nucleus of a crowd. He is shown no mercy.

Source: "The Anarchists Cowed: Breaking up their Haunts in Chicago." *New York Times*, May 8, 1886, quoted in "The Haymarket Riot and Trial: Selected Newspaper Articles."

University of Missouri-Kansas City School of Law.

www.law.umkc.edu/faculty/projects/ftrials/haymarket/haymarketnews.html

Excerpt 5: Trial testimony by August Spies, one of the accused, at the trial in reply to being asked what he had said to the crowd in the Haymarket Square on the night in question

I told the people that for the past twenty years, the toilers, the wage workers, had asked their employers for a reduction of the hours of labor. I told them that there were, according to the statement of the secretary of the National Bureau of Labor Statistics, about two million of strong, physically strong men out of employment. I further told them that the technical development in production, with the machines, etc., the productive capacity had so immensely increased, that by any rational organization of society, all that society required could be produced in a few hours, and that the working of men ten hours a day in such [a] mechanical way as at present was simply another method of murdering them. After having stated that, though every student of social affairs and social phenomena admitted the fact, that society was under the present, under the over-work condition conditions of over-work, retrograding almost, and that the masses were sinking into degradation, demoralization, etc. all on account of the excessive work; that notwithstanding all this their demands had been refused, had not been granted. I proceeded to say that they had asked the Legislators, but the legislators had different interests than those at stake in this question; that they did not so much care about the welfare of society or of any class of society, but that they were looking out for their own interests, and that at least the workingmen had conceived consciously or unconsciously to take the matter in their own hands; that

the question was an economic question; that it was not a political question; that the State Legislature nor Congress could not do anything in the premises, that the workingmen could only achieve a normal days work of eight hours or less by their own efforts, by self help.

Source: August Spies, trial testimony, August 9, 1886, quoted in “The Haymarket Riot and Trial: Selected Newspaper Articles.”

University of Missouri-Kansas City School of Law.

www.law.umkc.edu/faculty/projects/ftrials/haymarket/haymarketnews.html

Questions to Guide You

1. What are the different perspectives on the Haymarket Riot?
2. Evaluate the positions.
 - a) What evidence can you find to determine the validity of the arguments?
 - b) What is the authority of the authors?
 - c) Is the information provided accurate?
 - d) Are the opinions objective or subjective?
 - e) Do the arguments share any commonalities?
3. Place the five positions on a political spectrum of the ideologies discussed in this chapter, similar to the one on page 150. Be prepared to justify your placements.

The Extension of Equality

Question for Inquiry

- How did the concept of equality expand?

Initially, the values and beliefs of classical liberalism had brought greater liberty to entrepreneurs—factory owners, mine owners, investors, and other leaders of industry. This freedom for the producers of wealth also resulted in improved products and in better conditions for most members of society as evidenced by the passing of labour laws to establish **labour standards**.

The legislative reforms that benefited the working class were welcomed by workers. However, these reforms were the result of collaboration between government and capitalists, without the participation of workers themselves. Workers wanted more than this. They wanted an equal voice that spoke directly for their interests and reflected their own perspective. More and more people began to believe that liberalism required equal opportunity and equal respect for all members of society.

Labour Standards and Unions

This poem was written in the United States and widely distributed in Canada in the early 1870s. US workers were agitating for an eight-hour workday. Canadian workers were advocating a nine-hour workday. How does it demonstrate workers' sentiments about the situation in which they found themselves?

*We mean to make things over;
We're tired of toil for naught
But bare enough to live on—
Never an hour for thought;
We want to see the sunshine,
We want to smell the flowers;
We're sure that God has willed it,
And we mean to have eight hours.
We're summoning our forces,
From shipyard, shop and mill—
Eight hours for work, eight hours for rest,
Eight hours for what we will!*

—Source: quoted in Philip S. Foner,
History of the Labor Movement in the United States,
Vol. 2 (New York: International Publishers, 1998), p. 103.

During the 19th century, labourers who wanted to improve their standard of living began to attempt to form unions. What this involved was a recognition of a new right—the right to organize and bargain collectively. If all the workers in one particular trade were united, they could bargain collectively for better hours and wages and threaten to go on strike if their demands were not met. This contradicted the established notion that workers occupied a subordinate place in society. Even if employers took seriously the idea of individual worth, the idea of each individual worker bargaining with a powerful employer was obviously unrealistic and unfair. Unions could give workers the power to collectively negotiate fair wages and decent working conditions—all of which threatened to undermine the capitalist’s control of the workplace.

Nevertheless, unions gradually prevailed, and an increasing number of workers gained the right to form unions. The International Labour Organization was formed in 1919, as part of the League of Nations. In 1948, the United Nations incorporated two articles on labour in the Universal Declaration of Human Rights.

Article 23

1. *Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.*
2. *Everyone, without any discrimination, has the right to equal pay for equal work.*
3. *Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.*
4. *Everyone has the right to form and to join trade unions for the protection of his interests.*

Article 24

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

—Source: **The Universal Declaration of Human Rights**
© United Nations, 1948. Reproduced with permission.

www.un.org/Overview/rights.html

The following two passages provide two perspectives on unions. The first passage is from the founding convention of the Workers’ Party, held on February 18, 1922. The Workers’ Party was a socialist movement whose aims were to advocate for Canadian workers.

The trade union movement of Canada in common with the trade union movement of the world is experiencing the gravest crisis in its history.



PAUSE AND REFLECT

How would a capitalist or a supporter of classical liberalism likely have responded to the UN Declaration in the 19th century? How does the recognition of this new right to organize demonstrate the extension of equality rights?



PAUSE AND REFLECT

To what extent is the Worker’s Party supportive of, or a reaction to, classical liberalism?

Already before the world war the policies and structure of the trade unions were being proved inadequate to cope with the growing concentration and solidarity of capital...

...the capitalist class has launched a general offensive for the reduction of the workers' living standards, making at the same time a determined onslaught for the destruction of the trade union movement itself. Utterly unprepared for this attack, the trade unions are almost everywhere in disorderly retreat... Unless the unions begin to understand that the era of conciliation and arbitration in the class struggle is passed... there is danger that the efforts of the capitalist class will succeed.

Under these circumstances the most vital task which confronts the working class is the establishment of a united front to resist the aggressions of the capitalist class.

—Source: “Workers’ Party Resolutions on Labour Unions.”

http://www.socialisthistory.ca/Docs/Leninist/Trade_Unions_22.htm

The second excerpt is taken from a contemporary article that argues that capitalism and not unions have provided a better living standard for individuals.

...In the U.S. the average work week was 61 hours in 1870, compared to 34 hours today, and this near doubling of leisure time for American workers was caused by capitalism, not unionism...

Of course, this is only true of a capitalist economy where private property, free markets, and entrepreneurship prevail. The steady rise in living standards in (predominantly) capitalist countries is due to the benefits of private capital investment, entrepreneurship, technological advance, and a better educated workforce... Labor unions routinely take credit for all of this while pursuing policies which impede the very institutions of capitalism that are the cause of their own prosperity.

The shorter work week is entirely a capitalist invention. As capital investment caused the marginal productivity of labor to increase over time, less labor was required to produce the same levels of output. As competition became more intense, many employers competed for the best employees by offering both better pay and shorter hours. Those who did not offer shorter work weeks were compelled by the forces of competition to offer higher compensating wages or become uncompetitive in the labor market.

—Source: **How Capitalism Saved America: The Untold History of our Country, from the Pilgrims to the Present** by Thomas J. DiLorenzo, copyright © 2004 by Thomas J. DiLorenzo. Used by permission of Crown Forum, an imprint of Crown Publishers, a division of Random House, Inc.



PAUSE AND REFLECT

What perspective on classical liberalism do DiLorenzo's comments reflect? To whom would each of these points of view on unions seem attractive and to whom would they appear a threat? Which view best informs your own point of view?

Universal Suffrage

Classical liberalism proclaimed the equality of men, meaning the male gender, but in reality only certain men were equal. This becomes obvious when one examines the right to vote. In the 18th century, in countries where voting took place at all, the right to vote was reserved for propertied men with some wealth. In Britain, for example, Parliament was composed of the aristocracy, who held seats in the House of Lords, and landed gentry, who elected one another to seats in the House of Commons. In Canada, which lacked an aristocracy, wealth replaced birth as the qualification for voting. Men had to either own a certain amount of property or pay a certain amount of money in rent or taxes. Women, First Nations peoples, and certain religious and ethnic groups were not allowed to vote.

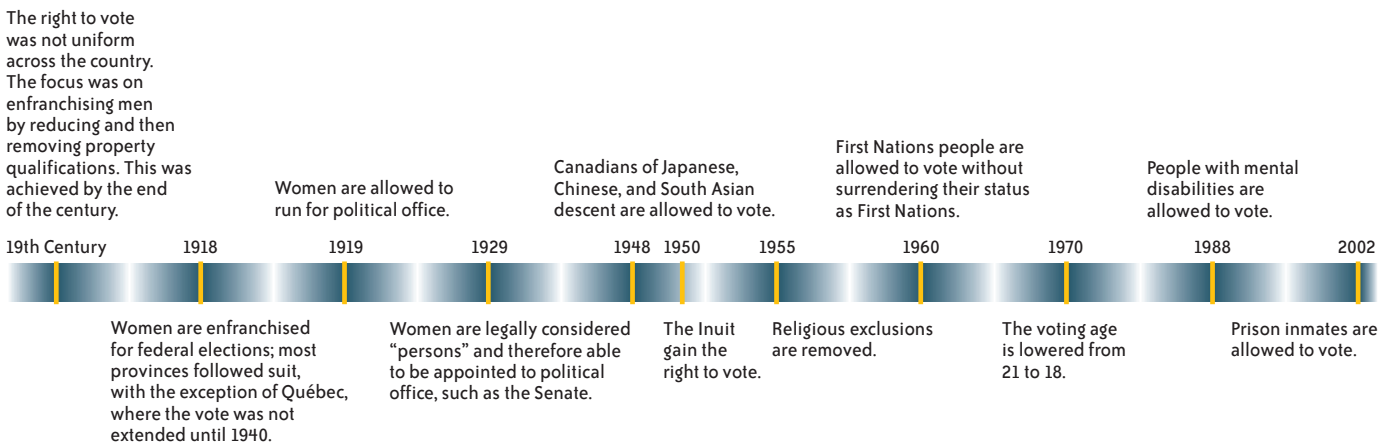
From 1867 to 1919, the classical liberal idea that voting was a privilege for the few gradually gave way to the modern liberal concept that the franchise was a right, and the various qualifications were eliminated, at first for men only. In Canada, the Dominion Elections Act (1920) extended the federal vote to all citizens of European extraction, both men and women. Non-Europeans had to wait longer for the right to vote. First Nations had to wait the longest—Canada did not extend the franchise to First Nations in a manner that provided them full opportunity to vote without jeopardizing their First Nations status until 1960. The Inuit gained the right to vote in 1950, although it was difficult for them to exercise this right, as polling stations were not generally set up across the North until the 1960s.

PAUSE AND REFLECT

What are the reasons that explain why Canada's First Nations peoples had to wait the longest before winning the right to vote without losing their First Nations status?

Figure 4-14 ▼

What biases were reflected in the restrictions on voting? What other changes to restrictions in voting might be challenged in the future?





Get to the Source

To discover more about suffrage in Canada, follow the link that your teacher will provide to Voting in Canada: How a Privilege Became a Right.

Why was there a limited franchise within Canada prior to 1960? How did those wishing to restrict the right to vote justify their position?

Equality Rights for Women in Western Democracies

Feminism, at its simplest, is the belief that men and women are to be treated equally in all respects. Modern feminism had its roots in the Enlightenment thinkers who demanded “the rights of man.” Initially, of course, most people took this literally; that is, they considered man to mean men. But classical liberalism did provide a way of thinking about civil liberties that allowed feminism to emerge. Paradoxically, very few of the classical liberal thinkers were willing to concede any rights to women. One French writer of the Enlightenment, Denis Diderot, stated that women were governed by the uterus, “an organ subject to terrible spasms, which rules her and rouses up in her phantoms of every sort.” (Source: James F. McMillan, *France and Women, 1789–1914* [New York: Routledge, 2000], p. 5.) Rousseau argued that “...woman was specifically made for man’s delight. If man in his turn ought to be pleasing in her eyes, the necessity is less urgent, his virtue is in his strength, he pleases because he is strong. I grant you this is not the law of love, but it is the law of nature...” (Source: Alison Twells, *British Women’s History* [New York: I.B. Tauris, 2007], p. 19).

Some women fought against the classical liberal view of women. Mary Wollstonecraft, an early novelist, was a feminist. In *A Vindication of the Rights of Women* (1792) she argued that not only would education make women better wives and mothers, it would also make them the equals of men.

Nonetheless, an ideology of “separate spheres” emerged, and by the 19th century’s Victorian era this ideology was firmly in place, reinforcing the inequality of women. At its root was the view of women as clearly inferior to men. Women had no voice in the restrictions placed on them, so most women acquiesced to them, either willingly or under force. Women developed the characteristics of this sphere into their own ideology. They accepted the home, children, and family as their proper sphere and practised the “womanly” virtues of domesticity, child-rearing, religious observance, and charitable activities (if and when they were in a position to do so). Women of all classes worked hard—in fact, they were a supply of cheap labour. The homes of upper- and middle-class women were large establishments, and working-class women performed poorly paid labour that enabled their families to survive. By the 19th century, a number of women viewed their desire to contribute to the larger society as an extension of their feminine sphere. Initially, they ran Sunday schools and established institutions to care for widows, orphans, the elderly, and the ill. Gradually they became

involved in the public sphere as they began anti-poverty campaigns and child labour movements or agitated for more equitable divorce and property laws. A public issue that prompted activism by women was the abuse of alcohol. Public drunkenness was common, and it was equally common to have wages spent on the “demon rum” rather than on the needs of the family. Temperance societies sprang up, and women agitated for controls on liquor. By the 1860s, suffragists began to argue for the right to vote, feeling that political power was the only way to achieve their goals. What began as religious and charitable activity evolved into political activity in this first wave of feminism.

As the suffragists had hoped, enfranchisement did lead the way to the extension of other equality rights for women. After a struggle that went all the way to the British government, the Canadian government recognized the right of women to be appointed to public office in 1929. During the 20th century, the government passed laws to accord women more equal rights in the law; in marriage, divorce, and abortion; and in the workplace. In addition, gender equality rights were entrenched in the Charter of Rights and Freedoms.

Suffrage, and in particular women’s suffrage, is not universal in the world today. Consider the following situations:

- Lebanon—Partial suffrage. Proof of education required for women, not required for men.
- Saudi Arabia—No suffrage for women. The first local elections ever held in the country occurred in 2005. Women were not given the right to vote or to stand for election.
- United Arab Emirates—No suffrage for men or women. The Parliament is officially appointed, and there are no elections. Neither men nor women have the right to vote or to stand for election although this is expected to change in 2010.

—Source: “The World Factbook: Suffrage”
Central Intelligence Agency.

<https://www.cia.gov/library/publications/the-world-factbook/fields/2123.html>, October 23, 2008

Can you suggest why these countries may not be overly supportive of suffrage in general and female suffrage in particular? What connections can you draw between the realities of voting in these places and the countries’ relationships to the ideology of modern liberalism, in particular to the liberal ideas of individual rights and freedoms with respect to suffrage?



Figure 4-15



Mary Wollstonecraft, 18th-century
novelist



Visual Voices

Visual images reflect the perspectives of the society that produces them, and act as social commentary. Examine the images below and determine what ideological perceptions of women the images represent.



THE FORCE OF EXAMPLE.
 "Now, JESSIE, SAY YOUR PRAYERS LIKE A GOOD LITTLE GIRL!"
 "MAMMA, READ! WHY MAYN'T I KNEEL DOWN, AND READ MY PRAYERS, AS PAPA DOES?"



OUR VILLAGE INDUSTRIAL COMPETITION.
 Husband (just home from the City): "MY ANGEL!—GREETING—WATERFALL'S THE NEWEST!"
 Wife: "THAT'S 'TWO—AND—AND—PAPA HAD—'—(sighing)—"MY BELOVED CAR!"
 Husband (sighing): "AND I'M SURE YOU'LL BE—"
 Wife (sighing): "DE—DE—'S SURE—'TIS—FOR THE BEST—BUT—'S CONSIDER!"



Figure 4-18 ▲

Figure 4-16 ▲

Figure 4-17 ▲

In what way does this 1873 cartoon illustrate the “woman’s sphere”?

What gender prejudices are being illustrated? What was the political application of these stereotypes?

What is the husband doing in this 1848 cartoon? How is the wife dressed? What was the artist’s point of view about women activists’ desire for the franchise?

- 1 How effective do you think each image might be in influencing people living during the 19th century?
- 2 What changes have modern liberal ideas about equality rights brought to representations of women?
- 3 Can you think of any contemporary images regarding gender issues (see pages 33–34 and 35) that have a similar impact on people in our society?



Challenging Classical Liberal Beliefs

Most of the women fighting for equal rights in the 19th century were European and in the middle class. They had a good educational background and sufficient

leisure time to devote to activities outside the home. But one of the most powerful crusaders for equality was a former slave. Sojourner Truth (c. 1792–1883) escaped from slavery in New York shortly before mandatory emancipation became law in the state in 1827. The following quotation about Sojourner Truth illustrates the struggle to combat classical liberal beliefs and values about women.

The leaders of the movement trembled on seeing a tall, gaunt black woman in a gray dress and white turban, surmounted with an uncouth sunbonnet, march deliberately into the church, walk with the air of a queen up the aisle, and take her seat upon the pulpit steps...A buzz of disapprobation was heard all over the house...

The tumult subsided at once, and every eye was fixed on this almost Amazon form, which stood nearly six feet high [1.8 metres], head erect, and eyes piercing the upper air like one in a dream. At her first word there was a profound hush. She spoke in deep tones, which, though not loud, reached every ear in the house, and away through the throng at the doors and windows.

“Wall, chilern, whar dar is so much racket dar must be somethin’ out o’ kilter. I tink dat ’twixt de niggers of de Souf and de womin at de Norf, all talkin’ ’bout rights, de white men will be in a fix pretty soon...

“If de fust woman God ever made was strong enough to turn de world upside down all alone, dese women togedder [and she glanced her eye over the platform] ought to be able to turn it back, and get it right side up again! And now dey is asking to do it, de men better let ’em.”

Long continued cheering greeted this...I have never in my life seen anything like the magical influence that subdued the mobbish spirit of the day, and turned the sneers and jeers of an excited crowd into notes of respect and admiration. Hundreds rushed up to shake hands with her, and congratulate the glorious old mother, and bid her Godspeed on her mission of “testifyin’ agin concerning the wickedness of this ’ere people.”

—Source: Elizabeth Cady Stanton, Susan B. Anthony, and Matilda J. Gage, eds., *History of Woman Suffrage*, Volume I, 1881 (reprint: New York: Arno Press, 1969), pp. 114–117.

In January 1914, the women of Manitoba’s Political Equality League staged a hugely successful mock parliament at Winnipeg’s Walker Theatre in which Nellie McClung, a leading suffragist, played the premier and other women played the members of the legislative assembly. During the session of the mock



Figure 4-19 ▲

Sojourner Truth, c. 1862. During the Civil War, Truth campaigned for the Union and the establishment of African-American fighting forces.

parliament, a number of men petitioned for the right to vote. McClung answered their request as follows:

If men were all so intelligent as these representatives of the downtrodden sex seem to be it might not do any harm to give them the vote. But all men are not so intelligent. There is no use giving men votes. They wouldn't use them. They would let them spoil and go to waste. Then again, some men would vote too much... Giving men the vote would unsettle the home... The modesty of our men, which we reverence, forbids us giving them the vote. Men's place is on the farm... It may be that I am old-fashioned. I may be wrong. After all, men may be human. Perhaps the time may come when men may vote with the women—but in the meantime, be of good cheer. Advocate and Educate.

—Nellie McClung, quoted in “**Suffrage: The Women’s Parliament.**”

Herstory: An Exhibition.

library2.usask.ca/herstory/woparl.html

- 1 What grounds did Truth use as the basis for women’s claim to equal rights? How convincing would her argument be for you if you had lived in this period?
- 2 How does Truth’s speech provide a basis for the modern liberal acceptance of women’s rights?
- 3 What do the narrator’s comments reveal about society at the time?
- 4 What is Nellie McClung’s purpose in her quotation?

Explore the Issues

Concept Review

- 1 Provide five examples of the extension of the concept of equality rights in the late 19th and early 20th centuries.

Concept Application

- 2 Why did classical liberalism exclude working men, women, and non-Europeans from full participation in Western society? What principles were used to justify ignoring equality rights for these people?
- 3 Explain the ways in which labour unions, the vote, and the feminist movement are extensions of equality rights that grew out of a reaction to classical liberalism in Western societies.
- 4 Which of the extensions of equality rights mentioned in Question 2 do you think was most important in satisfying the needs of society? Why?
- 5 How far should democratic governments go to extend equality rights? Can you see a point where the rights of individuals to choose for themselves might be compromised by the well-being of the community?
- 6 To what extent was the extension of equality rights the final step in the evolution of classical liberalism to modern liberalism?



Reflect and Analyze

To what extent did classical liberalism meet the needs of society? This question has been a focus for this chapter. Various ideologies developed in opposition to classical liberalism, based on the perceived failure of classical liberalism to create just and equitable political, social, and economic systems.

While conservatism looked to the order and stability of the past, and to government by the educated and privileged, as the ideal society, socialism had a different view of the best possible future. Socialism focused primarily on the idea of equality and imagined a world where humans lived in such harmony and co-operation that eventually government would no longer be necessary. There were, however, divergent beliefs about how this goal was to be obtained.

In the face of the development of new ideologies, classical liberalism itself evolved. First came pragmatic improvements to the working lives of labourers, followed by the acceptance of unions, and the extension of equality rights and the franchise to men, and eventually to women. Fundamental classical liberal values did not change, but the priorities assigned to these values were adjusted to achieve the welfare state. Classical liberalism had begun its transformation into modern liberalism.

Respond to Issues

- 1 You have been exploring various ideologies that developed in reaction to liberalism and how these ideologies resulted in changes to liberalism. This examination helped you consider your own point of view on contemporary issues in a liberal society and provided a way for you to think about why there may be resistance to an ideology. In considering the issue, *To what extent did classical liberalism meet the needs of society?*, you have analyzed many varied views. Do you agree with the direction that was taken in the evolution from classical to modern liberalism? Do you believe that modern liberalism is the most successful way to meet people's needs? Do you foresee a need for modern liberalism to evolve yet again? Take an informed position on these questions.

Recognize Relationships among Concepts, Issues, and Citizenship

- 2 Examine the portrayal of labour unions or feminism in the popular media in music and/or film. Choose sources that are contemporary, historical, or both. Do they deal with these issues? Do they encourage or support one particular kind of ideology over another? How convinced are you by their promotion or critique of a specific ideology? How does the ideology promoted or critiqued relate to citizenship in Canada or the world?