

Fabianism and the nature of Monopoly power

Peter Green

THE LIFE AND TIMES OF SIDNEY & BEATRICE WEBB
1858-1905: The Formative Years

Royden J. Harrison
Macmillan, £25

THIS first volume of a joint biography of the Webbs is a substantial, well-researched and scholarly work written with refreshing objectivity and will surely be of great interest to students of social history. Yet to students of political economy it has relatively little to offer bearing in mind the period and personalities that it covers.

To anyone with an interest in land reform it is a matter of regret that such a brilliant, industrious and efficient partnership as Sidney and Beatrice Webb should have been diverted from the real causes of poverty and social division into putting all their energies into Fabianism, the Trade Union Movement and the establishment of the Labour Party.

It is questionable whether the Webbs had ever really understood the Law of Rent. There is an account of a lecture given by Sidney Webb in 1884 in which he praises Henry George's *Progress and Poverty* acknowledging that differences in land did exist, and rent existed, but George could not abolish it. It was not rent which caused poverty but the rise in population thus showing himself to be a Malthusian. He also spoke of nationalizing land – not collecting the ground rent; he seems to have missed the point that the merit of collecting the ground rent in whatever way and to whatever degree is not merely for the revenue. Far more important is to emancipate the unlanded man or woman so that, having the alternative of access to marginal or even sub-marginal land free of burdensome taxation, where they can at least make a living and enjoy the natural wages of their efforts, they can enter into a contract of employment on equal terms with their employer free of the iron law of wages – the least a man or woman will accept, whatever that may be according to qualifications and abilities.

Henry George was lucidly clear on this point, but it was missed by so many of those that followed him. The waters were muddied by the acceptance of the idea that there were

three monopolies, not one, operating against the working population: those of land, capital and ability. Bernard Shaw is shown to have been a great influence on the Webbs in advocating this argument and there is of course something in it or it would never have taken root.

What is missed is the fundamentally different nature of these three factors said to be the subject of monopoly. Land, including all the natural resources of the planet, provides the environment for human existence. It can be modified and improvements made, but the underlying land, together with its resources, is anterior to mankind and cannot naturally or morally be considered as anyone's private property. Capital is the accumulation of unconsumed wealth in the form of buildings, tools and machinery to extend the productivity of human labour. It can be argued that it is a proper subject for private ownership once the authenticity of its original production is accepted. Ability, or human talents, can only be attributed to the one who exercises it, even if perceived as God-given, except in a Golden Age where no private property exists in anything – a situation almost inconceivable today and which would make economists redundant. Lumping these three factors together leads to the move to nationalise the means of production by route of the now notorious Clause Four for which the Webbs had so much responsibility. The failed experiment in nationalisation of industry in the second half of the 20th Century has shown the fallacy of the attempt to appropriate the 'rent of ability' for the State. It is bad enough when human talents are stunted by the assembly line and inept management, how much worse when political restraints are added on top. If proof of the failure of nationalisation of production were needed, look how much consumer prices have fallen in real terms since privatisation, despite the cries of accusation against greedy shareholders exploiting their monopoly.

Not only did the efforts of the Webbs lead to Clause Four, but also they strove to establish a fourth monopoly, that of organised labour to counter the other three. The Trade Union Movement strove to ameliorate many unacceptable conditions, but strikes could only give short-term advantage and that in a few special situations. In the long run it has inevitably failed to break the Iron Law. After a hundred years so little has fundamentally changed, the differences between rich and poor are greater than ever.

There is a fascinating account of the circumstance in which the London School of Economics was founded out of a bequest to be applied to the promotion of the Fabian Society and its Socialism. The author heads this chapter: "Heroic Opportunism", which it undoubtedly was. There was also much work to encourage the universal spread of education: primary, secondary and especially tertiary, which was indeed of great value.

Very significant throughout, for both of the Webbs, were the writings of John Stuart Mill. Although they may have had their failings, throughout their lives they sought the improvement of mankind rather than their own immediate happiness.

A good and instructive read if you have a few days to spare from more pressing needs. Then you will need a few more days when the second volume appears.

Women of the World Unite!

Julia Bastian

WOMEN, LAND AND AGRICULTURE

Edited by Caroline Sweetman
Oxfam Focus on Gender Series, £7.95

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