THE FACTORY EXPLOITATION MYTH

The view of capitalism that a great many people have held for more than a century has been profoundly shaped by a myth. In schools, learned journals, the popular press, and in everyday conversations one hears the myth repeated again and again. The myth is that the early factory system in England worsened the living conditions of the poor men and women who came to labor in them. In spite of the fantastic leap in the standard of living of the peoples of the capitalistic nations in the past hundred and fifty years, many still consider the free market economy an oppressor of the working man. Some leaders of underdeveloped nations have spurned the free enterprise system because of this distorted image when most of their own people would envy the living conditions of the nineteenth century English factory worker.

The purpose of this article is to (I) summarize some of the evidence that has lead economic historians to conclude that the worker's lot was improved by the factory system and (II) suggest several possible reasons for the existence and popularity of the contrary view.

The Facts

The great controversy over the effects of the factory system centers primarily on early nineteenth century England. For several decades technology in the cotton textile and other industries had advanced to power driven machines. Large factories were operated by unskilled workers. This meant the production of huge quantities of cheap cloth and other goods that everyone could afford to buy. Since cotton would not shrink like wool, the custom of regular washing developed, bringing substantial improvement in sanitation and health. The factories also brought wages, employment, and inexpensive goods to an ever-growing population. These benefits were especially important to the lower classes.

Phyllis Deane summarizes the position of economic historians:

> *Most observers agree that the 1790's, with war, harvest failures and rapidly increasing population, was a tragic period for English Labour . . .*
>
> *On the other hand even the pessimists will allow that perceptible improvements in working-class standards of living began in the 1840's.*
>
> *In effect then we can narrow down the area of fiercest controversy in the 1820's and 1830's. Here the data on wage-rates and prices suggest a rising real wage . . . on the whole the evidence for an improvement in standards seems stronger than the evidence for a fall in this period. [***The First Industrial Revolution*** (1965), pp. 248-9.]*

R. M. Hartwell writes:

> *Briefly the argument is that since average per-capita income increased, since there was no trend in distribution against the workers, since prices fell while money wages remained constant, since per-capita consumption of food and other consumer goods increased . . . then the real wages of the majority of English workers were rising in the years 1800 to 1850. ["The Rising Standard of Living in England, 1800-1850," **Economic History Review** (August 1963), p. 389.]*

A new study by E. L. Jones and M. J. R. Healy and another by G. M.L. Thompson have shown that *wheat* production exceeded population growth. According to a study by P. Deane and Cole and one by the Poor Law Commissioners, *meat* consumption also increased.

T. McKeown and R. G. Recond add:

> *The main reason for the rise in population in the late eighteenth and early nineteenth centuries was an improvement in economic and social conditions. ["Reasons for the Decline of Mortality in England and Wales during the Nineteenth Century," **Population Studies** (November 1962), p. 122.]*

The only economic historian who still believes that there was a decline in the 1820's and 30's, E. J. Hobsdawm, has admitted:

> *It should be remembered that the decrease in mortality which is primarily responsible for the sharp rise in population need be due not to an **increase** in per-capita consumption per year but to a **greater regularity of supply**: that is, to the abolition of the periodic shortages and famines which plagues pre-industrial economies and decimated their populations. ["The British Standard of Living 1790-1850," **Economic History Review** (August 1957), p. 46.]*

A rather remarkable achievement of capitalism.

John L. and Barbara Hammond, whose writing had for years been among the most important promoters of the factory-oppression myth, wrote toward the end of their lives:

> *. . . statisticians tell us that when they have put in order such data as they can find, they are satisfied that earnings increased and men and women were less poor when this discontent was loud and active than they were when the eighteenth century was beginning to grow old . . . this general view is probably more or less correct. [**The Bleak Age** (1947), p. 15.]*

Hartwell adds:

> *. . . some specific social gains of this period [include] . . . (i) the increasing social and economic independence of women, (ii) the reduction in child labour, (iii) the growth of friendly societies, trade unions, savings' banks, mechanics' institutes and cooperative societies, (iv) the growth of literacy . . ., and (v) the changing character of social disorder, which as F. C. Mather recently demonstrated, was much less brutish and destructive in the 1840's than in the 1780's [p. 143].*

The reformers themselves give us an excellent argument for the factories. They deplored the fact that since wages had been raised by the factories, the working people consumed more alcohol, tobacco, tea, etc., and were thus more immoral. One reformer named Tahakrah lamented the fact that the children were no longer contented with "plain food" but must have "dainties". [Sadler's Committee Report (1831-32), p. 514.] Reverend G. S. Bull deplored the tendency of girls to buy pretty clothes "readymade" from shops instead of making them themselves, because this practice made them poor mothers [p. 423]. Finally, the aristocratic reformers were shocked that the factories made men independent and, as one gentleman remarked, no longer "respectful and attentive" to their "superiors". [Philip Gaskell, ***The Manufacturing Population of England***, London, 1833. p. 110.]

Professor T. S. Ashton, famous economic historian at the London School of Economics, points out several factors that tended to worsen the living conditions of the poor. The hardships accompanying England's war with Napoleon were severe. Duties on food (the Corn Laws) keep prices high; duties and taxes on building materials amounted to one-third of the cost of building a house, and taxes on houses made rents high. Usury laws prohibited interest rates over five percent and, with the government paying a guaranteed four and a half percent on her bonds, builders had great difficulty borrowing capital. Combined with the rapid rise in population, it is small wonder that living conditions were poor in spite of the factories. [**Capitalism and the Historians** (1954.]

The Myth

If the evidence is so strong, we must ask why the prevalence of the myth? The answer can be found in several factors.

Intellectuals of pre-capitalist Europe paid scant attention to the material well-being of the common people. A new social consciousness was sparked by the Enlightenment and by the rising standard of living in early nineteenth-century England. Investigation and agitation for reform grew strong and great changes were begun. This increased interest in social conditions is often mistakenly taken to mean that there had been a decline in living conditions.

Mrs. Cooke Taylor, a prominent London lady, who had heard the wild stories about terrible treatment of the factory workers, reluctantly visited a factory and was surprised to find that the stories were grossly exaggerated [from a letter she wrote in 1843 and quoted in "Reuben", **A Brief History of the Rise and Progress of the Anti-Corn-Law League**, London, 1845.] It appears that most of the talk against the factories was hearsay passed among upperclass aristocrats of London—far removed from the industrial areas of Manchester and Liverpool. The children who still lived and died in the mud hovels of the rural farms were far worse off than the children who worked in the factories.

Professor W. H. Hutt tells of one wealthy gentleman who displayed a young boy, crippled from birth, at his home to his aristocratic friends. The gentleman claimed that the deformities were the result of the boy's having worked in a factory, when, in fact, the boy had never been in a factory. Needless to say, this must have impressed a number of important people with the "horrors" of the factories. [**Capitalism and the Historians**]

A review of the political struggles of the times offers an important insight into why the aristocracy was eagerly spreading the myth of factory oppression. At the time the factory-owning middle class was vigorously opposing the Corn Laws which worked to the advantage of the land-owning aristocracy. These laws set high duties on imported grains and thus increased the amount of English land that could be profitably employed in grain production. This meant higher rents to the aristocracy and considerable loss when the laws were finally repealed in 1846. (This marked the high point of classical liberalism or *Laissez-faire* capitalism. Karl Marx, in the **Communist Manifesto** published two years later, attaches great significance to this triumph of the bourgeois over the aristocracy.) E. von Plener, a historian of the period, wrote that:

> *The Tories for the greater part are still smarting under defeat on the reform question . . . endeavored with delight to bring to the surface everything likely to damage, in the eyes of the public, the industrial middle class. [**English Factory Legislation** (1873).]*

Probably the greatest contribution to the myth was the Sadler's Committee Report (Report of the Select Committee on Factory Children's Labour, 1831-2). Sadler, a member of Parliament, was trying to get his reform bill passed. A committee was created to investigate factory conditions and Sadler was made chairman. He called all of *his* witnesses, but would not allow opposing witnesses to testify. He had the one-sided testimony printed and thus, as R. H. Greg says, "gave to the world such a mass of *ex-parte* statements, and gross falsehoods and calumnies . . . as probably never before found their way into a public document." [**The Factory Question** (1837).] Not only was it one-sided but it consisted chiefly of individual and carefully selected instances. None of his witnesses were required to testify under oath. Of the three witnesses from the industrial districts only one would repeat his testimony before the subsequent committees, but he would not do so under oath. These subsequent committees of Parliament found effective answers to every charge made before the Sadler committee.

Even Friedrich Engles (Marx's associate) wrote that the Sadler "report was emphatically partisan, composed by strong enemies of the factory system for party ends . . . . Sadler permitted himself to be betrayed by his noble enthusiasm into the most distorted and erroneous statements." [**Condition of the Working Class** (1892)1p. 170.]

Phyllis Deane points out:

> *The theory of deterioration was buttressed by a somewhat legendary picture of the golden age that was supposed to have preceded the industrial revolution—an England of happy prosperous yeomen and independent domestic craftsmen free from exploitation and care. But, in fact, the women and children often worked as long hours at the laborious process of domestic industry as they ever did at the factory machines [p. 239].*

Hartwell adds:

> *[Fredric] Engles [realized] that the pre-industrial workers lived in "ignorance and stagnation." The researches of Mrs. M. D. George, Miss D. Marshall and the Webbs reveal a pre-industrial society that was static and sordid, with the labouring poor on subsistence wages and periodically decimated by plagues and famines [p. 398].*

There was a *wider* conflict between those who seek and justify material profits in a market place and those who seek other values such as God, beauty, utopia, empire, and power. Bertrand de Jouvenel writes of "the wave of romanticism which swept over the Western intelligentsia (in that period). Factory builders trampled over the beauties of nature precisely when these were being discovered; the exodus from the country coincided with a new-found admiration for country life . . . . All these themes are to be found in Rousseau. This major philospher was well aware that the values which he cherished were in opposition to the progress of Western society; therefore, he wanted none of this progress." [**Capitalism and the Historians**, p. 112.]

We have seen that the evidence shows clearly that the factory systems improved the standard of living of the workers. The opposing myth grew up in the fertile *milieu,* promoted by an active social consciousness, by political considerations and struggles, by works like the Sadler's Committee Report, by the myth of an earlier golden age, and by the romanticism of the period. The result is the distorted and hostile view of capitalism that many people hold today.

Get a complete set of all 45 SIL issue papers for only $2! Order from: SIL, PO Box 1147, Warminster, PA 18974.

The Factory Exploitation Myth

ROD MANIS

SOCIETY FOR
INDIVIDUAL
LIBERTY