Tocqueville died two years before Mill's 'Considerations on Representative Government' appeared. It would have been interesting to see his review. Would he, perhaps, have recalled this passage in the second volume of *Democracy in America*?

> I am trying to imagine under what novel features despotism may appear in the world. In the first place, I see an innumerable multitude of men, alike and equal, constantly circling in pursuit of the petty and banal pleasures with which they glut their souls . . . . Over this kind of men stands an immense protective power which is alone responsible for securing their enjoyment and watching over their fate. That power is absolute, thoughtful of detail, orderly, provident and gentle . . . . It provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, makes rules for their testaments, and divides their inheritances . . . . Centralisation is combined with the sovereignty of the people. That gives them a chance to relax. They console themselves for being under schoolmasters by thinking that they have chosen them themselves.
>
> (Tocqueville 1968: 898–9)

Chapter three

Carnegie and Chamberlain

The problem or the solution?

Andrew Carnegie and Joseph Chamberlain came from social classes which caused great anxiety to Tocqueville and Mill, respectively. Carnegie was born into the artisan branch of the urban working class. Chamberlain sprang from the commercial sector of the middle class. While still young men, Carnegie and Chamberlain became successful industrialists, pursuing their careers in ways Tocqueville and Mill would certainly have found repugnant. Subsequently, Carnegie became a prominent ideologue of American democracy, Chamberlain a spectacular practitioner in British politics.

Carnegie and Chamberlain both put enormous effort into image-building. Carnegie presented himself as the noble entrepreneur, product of a near-perfect system of government and economic organisation, an efficient generator of wealth who also had a deep practical concern for the interests of common humanity. Chamberlain's most persistent message was that he knew the people and was ready to express and represent their interests, even if this meant breaking with established traditions and institutions.

According to Mill and Tocqueville, people like Carnegie and Chamberlain represented one of the most serious problems facing capitalist democracy. According to Carnegie and Chamberlain – each taking his own distinctive line – they represented not the cause of contemporary ills, but their solution.

Two businessmen

The ideas of Carnegie and Chamberlain have to be understood in their social and political context. Carnegie, born in 1835, was the son of a poor Dunfermline weaver. Although his father owned his own premises and employed three hands, the family was often near the breadline. The social atmosphere was radical. In 1842, a year of riots, one of his uncles was arrested for holding a Chartist meeting. Six years later, following a winter of very bad trade and near starvation, Andrew emigrated with his parents to the United States.

By the time he was 33 years old, Carnegie had worked his way by shrewd speculation to an annual income of $50,000. The Carnegie steel empire was growing quickly, elbowing out competitors. By the end of the century, Carnegie thoroughly dominated this key industrial sector. Shortly afterwards, he sold up for an enormous sum of money and set about doing good works.

Chamberlain, one year older than Carnegie, came from the social background later to be sarcastically described by Lady Bracknell as 'the purple of commerce' (Wilde 1899: 44–5). His father ran a shoe-making business in London. The family belonged to the Unitarian branch of Nonconformist religion. This religious tendency was mainly nurtured among the better educated Baptists and Presbyterians. It was marked with those Calvinist tendencies which, according to Mill, produced a 'narrow theory of life'. Its adherents developed a 'pinched and hidebound type of human character', hostile to individuality (Mill 1964a: 120).

Chamberlain moved to Birmingham in 1854 to help build up a business based on exploitation of a new American technique for manufacturing iron screws. The firm of Nettlefold and Chamberlain, precursor of GKN, was able to undercut and take over all its smaller rivals. The products of the newly-dominant company 'found a market in every quarter of the globe' (Chamberlain 1886: 607). Chamberlain was not a robber baron on the Carnegie scale. However, his business operations left enough bruises for him to be 'accused of sharp practice, of endeavouring to crush out all minor competitors, and by these means to secure a monopoly in the United Kingdom' (Creswicke 1904: 28).

Carnegie belonged to the industrial aristocracy feared by Tocqueville. So did Chamberlain, before his early retirement from business. Furthermore, when Chamberlain launched himself into local and national politics in the early 1870s, it was at the head of a cause clearly shaped by the 'narrow theory of life' so hostile to liberty in Mill's eyes. Chamberlain was very prominent in the campaigns of the Central Nonconformist Committee and National Educational League. These bodies represented sectarian interests opposed to the 1870 Education Act, a measure extending state aid to a wide range of schools for the working population.

Inherited problems

Despite their sustained self-promotion, by the end of their careers the names of both men evoked an aura of hypocrisy. Carnegie was accused of betraying his principles in dealing with the unions in his own Homestead plant at Pittsburg. Chamberlain was condemned by his former colleagues in the Liberal party when he refused to support William Gladstone, the Liberal Prime Minister, on the question of Irish Home Rule in 1886. Less than ten years later, Chamberlain was colonial secretary in a Conservative administration.

Carnegie and Chamberlain were both opportunists prepared to put up with a certain amount of inconsistency in their own lives. As original contributors to political theory, they were certainly not in the same league as Tocqueville and Mill. However, they were more than power-hungry tyros hiding their ambitions behind convenient ideological slogans.

Religious belief imposed upon both the American industrialist and his English counterpart the need to justify the pursuit of power and wealth. It also shaped the intellectual and moral content of their distinctive approaches to capitalism and democracy. Both Carnegie and Chamberlain were the products of 'advanced' forms of Nonconformity. The intellectual tendencies produced by this background, especially regarding the role of public opinion and social evolution, will be shortly explored with reference to yet another product of the same milieu: Herbert Spencer.

The young Joseph's religious background has already been noticed. Andrew's parents were, like the Chamberlains, one remove from the Calvinism of Old Dissent. His father left the Presbyterians to become a Swedenborgian; his mother preferred the philosophy of William Ellery Channing, the New England Unitarian.

Not surprisingly, neither Carnegie nor Chamberlain were happy to see themselves presented as brutish self-seekers. The pursuit of wealth and political power had to have a justifiable purpose. In casting round for a set of ideas which would define this purpose, both Carnegie and Chamberlain inherited problems which had faced their predecessors.

As has been seen, Tocqueville warned against urban industrial capitalism. The very large towns contained 'a rabble' whose worst elements included 'freed Negroes' and immigrants bringing to America the 'worst vices' of Europe (Tocqueville 1968: 343–4). Such people could not act responsibly in the public sphere. Nor could factory slaves. Large industrial employers would impose a permanent inequality of conditions by asserting the power of private property. However, instead of assuming corporate responsibility as a class for the interests of the people, it 'abandons them in time of crisis to public charity to feed them' (721). Although he drew very different conclusions, Carnegie was very sensitive to this agenda of problems.

Mill wished to minimise the separation between property and the people by spreading the experience of ownership as widely as possible. He also desired to repel what he believed were improper intrusions into either the private or the public spheres. More generally, Mill wanted the rules governing relations between these distinctive interests and spheres to be adjusted so as to undermine the landed aristocracy and empower the urban professional. Although he was careful never to appear as an enemy of democracy, this mechanism of change and these overall goals were also taken up by Chamberlain.

Herbert Spencer

Spencer's early work was shaped by the English provincial tradition of religious and political dissent. Birmingham's politicians laid a claim to the leadership of this radical movement during the 1830s and 1840s, not least through the campaigns of the Birmingham Political Union and the Complete Suffrage Union. Spencer met Joseph Sturge, the founder of the latter body, while working in the Birmingham area as a railway engineer. He became secretary of the local branch in Derby and helped Sturge to produce a newspaper campaigning against local government corruption. The tone was optimistic and confident.

Although Spencer left the Midlands for London in 1848, the mark of provincial radicalism could be seen in his *Social Statics* (1850). In this work he looked forward to the steady movement of society away from internal conflict, towards willing co-operation between interdependent individuals. A spirit of altruism would increasingly dominate people's feelings towards one another.

This book gives an indication of the tone of Birmingham radicalism when Joseph Chamberlain arrived there in 1854. Public opinion was not something to be feared. Tocqueville and Mill had got it wrong. It was not a source of tyranny but a benevolent force, a powerful means of doing good. This spirit was still very much alive in 1868 when Elihu Burritt, the American Consul in Birmingham, published *Walks in the Black Country and its Green Border-Land* (1868). Burritt had known Joseph Sturge 'intimately during the golden autumn of his great and good life' (Burritt 1868: 46). He admired 'the moral influence of the principles and sentiments he put forth in his addresses and speeches' (52).

Sturge was typical of the city. Birmingham and its citizens had shown themselves to be 'intelligent and vigorous-minded' (19) on many occasions. During the days of the national campaign for the 1832 Reform Bill, Birmingham 'organized the force that produced the event, that has governed the governments and guided the people of the kingdom from that day to this. It erected public opinion into a mighty power and enginery for the public good' (21). The organisation of the nation's moral forces was a great antidote to violence, 'rallying aggrieved populations to the platform instead of the barricade' (22).

The capacity to wield this influence was the product of an advance in civilisation as great as James Watt's invention of the steam engine. In fact, 'Not only the moral and material worlds but their prime forces run parallel to each other. What the power of public opinion is in the one, the power of steam is in the other' (Burritt 1868: 23). This was the political atmosphere in which Chamberlain began his political career.

In fact, Chamberlain was not a self-conscious disciple of Spencer. As Beatrice Webb, a woman who knew them both, recorded:

> Herbert Spencer on Chamberlain: 'A man who may mean well but who does, and will, do an incalculable amount of mischief.' Chamberlain on Herbert Spencer: 'Happily, for the majority of the world, his writing is unintelligible, otherwise his life would have been spent in doing harm.' No fundamental personal animus between them but a fundamental antipathy of mind.
>
> (Webb 1971: 146)

Despite the lack of sympathy between Spencer and Chamberlain, it is not difficult to show that Spencerian ideas were influential among some of Chamberlain's Nonconformist allies in Birmingham (see Smith 1977). However, the sole factor relevant here is the influence upon Spencer's earliest writings of radical dissent's sense of confidence in the benevolence of public opinion. It was a progressive force to be wooed, not feared.

Carnegie certainly took a very positive approach to public opinion, not least in Britain. He published a number of books, including his autobiography and a study of James Watt. Between 1882 and 1916 over seventy articles and published addresses appeared under his name. During the 1880s Carnegie provided financial backing for a string of English newspapers. As his biographer disingenuously remarks of Carnegie's visits to one of his papers, the *Wolverhampton Express*, 'He made no pretense of dictating policy, still less of writing leading articles himself, but he liked to assemble the entire editorial force and give them little talks on the great issues then pending in England' (Hendrick 1932: 263).

In Carnegie's case, the influence of Spencer was direct and positive. The latter's comprehensive system of philosophy, biology, psychology and sociology emphasised the beneficial effects of competition. The process of competition permitted the evolution of institutions better adapted to progressive purposes. In this way societies developed while individuals and practices which stood in the way of progress failed to survive.

Carnegie interpreted the several bulky volumes of Spencer's system to mean, in effect, ' ''All is well since all grows better'' ' (Hendrick 1932: 238). As will be seen, Spencer's approach was modified quite considerably when mixed with Carnegie's other preoccupations. The industrialist got to know Spencer when they crossed the Atlantic together on the same steamship in 1882. Four years later, when Carnegie's book

Triumphant Democracy (1886) was published, the author proudly presented a copy to Spencer with an inscription which described the latter as 'The man to whom I owe most' (239). This work is a good place to start in analysing Carnegie's distinctive approach to capitalist democracy.

Triumphant democracy

Triumphant Democracy was a celebration of the 'fifty years march of the Republic', to quote the subtitle. Carnegie's subject was the half-century that had passed since the Jacksonian years. His book was full of statistics demonstrating its initial proposition: 'The old nations of the earth creep on at a snail's pace; the Republic thunders past with the rush of the express' (1). Faster, taller, deeper, wider, stronger, richer, bigger, better: that was the message. It was repeated in successive chapters: on the American people, the cities and towns, conditions of life, occupations, education, religion, agriculture, manufactures, and so on. The book was, in effect, a report to stockholders telling them that business was great.

It was also a prospectus for potential investors, especially British-born immigrants and the British who remained behind. Carnegie displayed strong but mixed feelings for the country of his birth as hinted in the book's dedication: 'To the BELOVED REPUBLIC under whose equal laws I am made the peer of any man, although denied political equality by my native land'. Like Tocqueville, Carnegie saw America as a more democratic version of Britain: 'The American republican can never be other in blood and nature than a true Briton, a real chip off the old block, a new edition of the original work, and, as is the manner of new editions, revised and improved' (32).

Carnegie shared Mill's hostility to the practice of protecting landed estates through entail and primogeniture. He heartily disliked the landed class, from the monarchy down to 'the narrow, uninformed Tory squire' (68). The essential element in democracy, in his view, was the removal of special titles and privileges. These gave the monarchy, aristocracy and their hangers-on an unfair advantage in the social struggle. By contrast, upon the emigrant from Europe to America

> falls the boon of citizenship, equal with the highest. The Republic may not give wealth, or happiness; she has not promised these, it is the freedom to pursue them, not their realization, which the Declaration of Independence claims; but, if she does not make the emigrant happy or prosperous, this she can do and does do for every one, she makes him a citizen, a *man*.
>
> (Carnegie 1886: 22; original emphasis)

At a number of points Carnegie's analysis agreed with Tocqueville's. They both admired the federal constitution, appreciated the security of property rights, and acknowledged the 'conservative nature of the political institutions of the Republic' (Carnegie 1886: 337). Carnegie also accepted Tocqueville's equation of democracy with equality. However, he did not draw the implication that psychological isolation, neglect of the public sphere and a tyrannical public opinion were potential evils deriving from equality.

Carnegie had no doubt at all that a life largely confined to the private sphere could easily be rich and cultivated: 'certainly not unless the visitor [to America] has access to the homes of those who figure little or none in political life, can he see the best people in the land, or understand the foundations of personal worth upon which the State mainly rests' (344).

The public sphere did not, in the ordinary run of events, require enormous abilities for its management. In moments of great crisis, great men had appeared. Abraham Lincoln had been available in 1860, part of the Republic's 'reserve force' standing by for emergencies. However, 'when the ship of State is in smooth waters more important matters require its attention, and the governing power goes below' (43). In ordinary times politics is routine work 'such as young, briefless lawyers and unsuccessful men of affairs can easily perform. They have to follow public opinion and are mere agents. When great issues no longer divide the British people, the same result may be expected' (327).

As for the charge that American local politics were corrupt, Carnegie argued that the distribution of titles to loyal parliamentarians in Britain was just as bad: 'there is no radical difference whether members' votes are obtained by expected social rank or favor, or expected pecuniary gain' (353). Carnegie had no doubt that in America 'the laws are perfect' (326).

Democratic equality, once established, provided a propitious context for evolutionary processes of the kind described by Herbert Spencer. Cities and towns were a natural result, one which had to be welcomed and certainly not feared, as Tocqueville had done. As far as Carnegie was concerned, the countryside was the place for the very young, the very old and the very dull. Fit, bright young men and women made their way to town. The rapid growth of large cities was a sure sign of progress:

> This is a stupendous change and marks the development of the Republic from the first stage of homogeneity of pastoral pursuits into the heterogeneous occupations of a more highly civilized state. The nation is now complete, as it were, in itself, and ready for independent action. Its mechanical and inventive genius has full scope in the thousand and one diversified pursuits which a civilized community

> necessarily creates, and which necessitate the gathering of men together in masses.
>
> (Carnegie 1886: 33)

Tocqueville had associated the city with two perceived dangers: freed slaves and European immigrants. Carnegie accepted that the Republic had faced these 'two sources of great danger' (12) but insisted that the perils had been surmounted.

> The universal testimony is that the former slaves rapidly develop the qualities of freemen and exhibit, in a surprising degree, the ability to manage their own affairs . . . . They are now quite orderly and well-behaved, and much more industrious than before.
>
> (Ibid.: 30)

As for foreign immigrants, the fear had been that they might have 'stood aloof from the national life and formed circles of their own' (13). In fact, the Republic had won these foreigners over by its 'incredible generosity' in offering 'the boon of citizenship' and a good primary education in the public schools:

> The poor immigrant cannot help growing up passionately fond of his new home and, alas, with many bitter thoughts of the old land which has defrauded him of the rights of man, and thus the theatened danger is averted – the homogeneity of the people secured.
>
> (Ibid.: 13–14)

Triumphant Democracy was directed at readers on both sides of the Atlantic, but especially in Britain. To his British readers Carnegie was saying, 'Come in, the water's lovely!' Democratic equality within a republic was the road to progress. All Britons should adopt the pattern of thought Carnegie found in Birmingham. There he had attended a celebration for their Liberal Member of Parliament, John Bright, a staunch supporter of the Union during the American Civil War. The Birmingham audience had sung a hymn to their native land but not 'God save the Queen': 'A royal family is an insult to every family in the land. I found no trace of them at Birmingham' (7).

Carnegie concluded his book with the hope that extension of the right to vote in Britain and the spread of universal compulsory education would soon be followed by the abolition of primogeniture and entail and the disappearance of 'all that remains of feudalistic times' in that society (352). He believed that Britain was steadily moving in the direction of America in respect of its political institutions. In his last paragraph he quoted John Bright's hope that ' "although they may be two nations, they may be but one people" ' (353).

The book was written in dashing style and was a great popular

success. It quickly went through several editions and into many languages. A cheap shilling reprint for British working-class readers sold more than 40,000. Critical reaction was mixed. Matthew Arnold, a friend of Carnegie, thought the compilation of factual material useful, although it could not disguise the fact that American life displayed 'a want of the *interesting*, a want due chiefly to the want of those two great elements of the interesting, which are elevation and beauty' (Arnold 1888: 495; original emphasis).

Herbert Spencer's view, in a letter to Carnegie, was that the book was really about the 'triumph of civilization', using the term in the narrow sense of material progress. he added;

> A large part, if not the greater part, of what you ascribe to democracy, is, it seems to me, simply the result of social growth in a region furnishing abundant space and material for it, and which would have gone on in a substantially similar way under another form of government.
>
> (Hendrick 1932: 277)

These comments are highly reminiscent of Mill's critique of Tocqueville on America.

A better title for Carnegie's book would have been *Triumphant Capitalism*. He had convincingly shown the material fruitfulness of American society. He had, perhaps, plausibly argued that democracy, by guaranteeing formal equality and property rights, had contributed to the conditions for capitalist advance.

What he had not done was demonstrate any way in which capitalism contributed to the vigour of democracy. In his chapter on manufactures, the relationship between employer and employee was hidden behind his main subject, which was the relationship between Man and Nature. Carnegie asserted the dignity of labour by free citizens. However, fears about the rise of an industrial aristocracy, such as those voiced by Tocqueville, would not be quelled by any of the evidence produced in *Triumphant Democracy*.

The gospel of wealth

Carnegie attended to the problem of how capitalism fed back into democracy in two articles published in *North American Review* in 1889. They were subsequently published in Britain under the title *The Gospel of Wealth*. Finally, in 1900, they appeared in book form.

The Gospel of Wealth focused upon the consequences of individualism, the trait which Tocqueville had argued was complementary to equality in America. Competition, argued Carnegie, had resulted in enormous improvements in the lives of everybody. As a result of technological advance, the labourer enjoyed material benefits which were denied even to his master in previous generations. However, competition was part of a process of evolution which also brought differentiation and inequality. Specifically, those most fitted to innovate and lead became successful entrepreneurs. With their success came great wealth. Although all benefited from material advances, the gap between rich and poor increased greatly.

To this extent, Carnegie accepted the Spencerian analysis which bundled the costs and benefits of progress together in one package. However, Carnegie was prepared to go further than Spencer and argue that wise individuals could intervene in the evolutionary process, redirecting it somewhat in order to reduce or compensate for its costs. This ambition of rechannelling powerful historical forces within the limits of the possible is similar to the attitude taken by Tocqueville towards the democratic revolution. In Carnegie's case, the historical force was not Democracy, since that had already been largely achieved, but Progress.

The individuals most fitted to intervene in this way were the millionaires who had earned their wealth during active careers in commerce and industry. They were the cream of the system, the pick of the bunch. Their surplus wealth was an enormous burden. Although privately owned, it represented a great public responsibility. It should not be used to provide their heirs with great fortunes, allowing them to become drones. Carnegie once commented: 'I would as soon leave my son a curse as the almighty dollar' (Hendrick 1932: 334). Since he never had a son, no sacrifice was involved. He was all in favour of very heavy death duties.

Carnegie also ruled out the practice of making bequests for public purposes. The argument in this case was that no credit attached to such bequests, since they involved no sacrifice on the part of the deceased. Motives clearly mattered as much as consequences to Carnegie.

A third option was positively recommended by Carnegie. A person who accrued great wealth in life should also distribute it to worthy public causes while still living. As he wrote:

> The fundamental idea of 'The Gospel of Wealth' is that surplus wealth should be considered as a sacred trust to be administered by those into whose hands it falls, during their lives, for the good of the community. It predicts that the day is at hand when he who dies possessed of enormous sums, which were his and free to administer during his lifetime, will die disgraced, and holds that the aim of the millionaire should be to die poor. It likewise pleads for modesty of private expenditure.
>
> (Carnegie 1891: 371)

Carnegie pointed out that this programme was very similar to the strategy recommended by John Wesley:

> Gain all you can by honest industry . . . . Save all you can . . . [then] provide things needful for yourself, food, raiment, &c . . . provide for . . . your household. If you then have an overplus do good to them that are of the household of faith. If there still be an overplus, do good to all men.
>
> (Quoted in Carnegie 1891: 382)

The good that Carnegie particularly wanted his fellow millionaires to perform consisted of helping others to help themselves. In other words, surplus wealth should be spent in creating institutions which would provide aspiring men and women with the means to improve and exploit their talents for the good of themselves and society at large. Special emphasis should be placed upon educational institutions, since they were a long-term social investment. Like Mill, Carnegie was an enthusiastic advocate of heavy spending on schooling for the purpose of expanding the circle of the worthy and responsible within society.

Direct financial aid in the form of massive poor relief was not what Carnegie had in mind. That was better left to the Salvation Army. Charitable payments to the poor on a large scale did little more than alleviate immediate suffering and probably went to the least fit specimens of mankind. As Carnegie once commented, 'I am not so much concerned about the submerged tenth as . . . the swimming tenth' (quoted in Hendrick 1932: 340). The object of his scheme was to make the chance of self-improvement available to a larger proportion of the population. In this way the fruits of capitalism would contribute to the gradual strengthening of democratic equality of opportunity.

Homestead

At this point a slightly longer account of the Homestead strike is appropriate, since it has made such an impact on Carnegie's reputation. Six years before that particular strike, Carnegie had responded to the serious labour unrest of 1886 by proclaiming the value of trade unions as a means of raising the standards of working people. He had written:

> The right of the working-men to combine and form trades unions is no less sacred than the right of the manufacturer to enter into associations and conferences with fellows, and it must sooner or later be conceded . . . . My experience has been that trades-unions, upon the whole, are beneficial both to labor and to capital.
>
> (Carnegie 1900: 114–15)

This must have seemed a highly liberal sentiment, especially in the year that a bomb outrage in the Haymarket in Chicago fed widespread suspicions that labour was infiltrated with foreign anarchists.

However, it was a different story when the management of the Carnegie Steel Company dealt with the Amalgamated Association of Iron and Steel Workers in the factory at Homestead in Pittsburg. In 1892 management decided, without securing union agreement, that the tonnage scale (or piece rate) should be reduced. It was made clear that if the union did not accept this, the plant would become non-union. Following a brief lock-out there was a battle between union members and 300 Pinkerton guards, who were trying to bring non-union labour into the plant. Ten men were killed. To cut a long story short, the union was soundly beaten and the Homestead plant became non-union.

During the whole business Carnegie was away in Scotland. However, the local manager at Homestead received his full backing both in public and private. Carnegie was criticised widely in the press. For example, the St Louis *Post-Dispatch* declared that 'In the estimation of nine-tenths of the thinking people on both sides of the ocean, he has not only given the lie to all his antecedents, but confessed himself a moral coward' (quoted in McCloskey 1951: 151). According to his biographer, 'Carnegie was firmly persuaded that, had he been on the scene in July 1892 the Homestead strike would not have taken place. On this point few of his friends or enemies disagreed' (Hendrick 1932: 58).

Between property and the people

Carnegie felt closer in spirit to Birmingham and its politicians than he did to most other English cities. This was reciprocated. The Birmingham Liberals had invited Carnegie to stand as one of their parliamentary candidates in 1885. Although he did not accept, Carnegie admired what he thought was the republican spirit of the city. There was at least some confirming evidence.

During the early 1870s, Joseph Chamberlain's radical reputation caused fears that royalty would not visit the city to open the new municipal buildings while he was mayor. The Prince of Wales did come, however. Proposing the toast at the ensuing banquet, Chamberlain did not deny the label 'Republican', meaning one who had 'a deep unswerving faith in representative institutions'. He held 'as a matter of theory at all events, that that is the best government for a free and intelligent people in which merit is preferred to birth'. However, he was not one to advocate violence or go against overwhelming popular opinion in favour of monarchy. In any case, the defenders of the Prince of Wales need not have worried. It was perfectly possible that 'a man might be a gentleman as well as a Republican' (Chamberlain 1914: 47–8).

That last phrase captures quite nicely the balance Chamberlain tried to achieve in his political activity. From the perspective of the House of Lords or the upper ranks of his own party, he liked to appear as the man in close touch with the wishes of the people, prepared to argue for the rights denied them. As Cooke and Vincent put it, within the parliamentary field 'He liked to be felt as a threat, and could not quite see himself in other roles' (Cooke and Vincent 1974: 13).

In his dealings with the electorate and with non-electors, at Birmingham and up and down the country, Chamberlain emphasised his determination to ensure that, despite its previous failings, any governing power to which he belonged would behave handsomely in dealing with its clients, the community. In other words, looking 'upward' he asserted the rights of the people on their behalf; looking 'downward' he promised the fulfilment of neglected obligations on the part of property.

Chamberlain first made his name in politics as an articulate Nonconformist radical in the early 1870s. He was a skilled organiser equipped with a shrewd business brain. Liberal voters and activists were organised through the Birmingham Liberal Association, which had been founded in 1865. By 1873 Chamberlain was chairman of the Birmingham School Board, and Mayor of Birmingham.

During the mid 1870s, Chamberlain adopted a broader radical strategy. The education issue was merged into a concern for the conditions and rights of ordinary people. In a parallel process, the National Education League was superceded in 1877 by the National Liberal Federation. This body was dominated by Chamberlain. All its leading officials came from Birmingham.

The NLF provided an organisational focus for Liberal voters and activists. After the 1880 general election it provided the victorious Liberals with an instrument of party discipline at Westminster. Its influence was greatly exaggerated by supporters and opponents alike. The former claimed it was a thoroughly representative democratic body. The latter condemned it as a vile American import, liable to corrupt influence. It was dubbed the 'caucus', implying dirty deals, smoke-filled rooms and a spoils system.

This discussion of Chamberlain's approach to capitalist democracy will concentrate upon the period between 1870 and 1885 when he was building himself up to a position so apparently strong that Carnegie could describe him as being 'certainly nearer to the Premiership of Britain than any one except Mr Gladstone' (1886: 344). Chamberlain's actions and advocacy on behalf of imperialism and protectionism during the twenty years after 1886 are mentioned in a later chapter but are not relevant here. The object is not to summarise, still less to rationalise or justify, a whole career. At this point the main concern is the strategy of political discourse adopted during the 1870s and 1880s by a man who was, according to a parliamentary colleague, 'the hope of decided, consistent, and intelligent Liberalism (Rogers 1903: 254).

It would be unrealistic to expect a fully worked out or consistent theoretical position from Chamberlain. His significance is that in his forays into national politics, especially during the early 1880s, he found – and irritated – the sensitive spots in British politics with respect to the relationship between the public and private spheres, and between property and the people. By contrast, in Birmingham during the 1870s and 1880s he developed and expounded a form of local politics which appeared to reconcile tensions between these spheres and interests.

A paradox

When Chamberlain arrived at Birmingham in 1854, the local balance of power was shifting on a number of axes. It was moving away from business and professional cliques closely associated with the county squirearchy, and towards other cliques, also rich and respectable, who cultivated their links with artisans, office workers and small traders within the city. Influence was flowing away from the Church of England and towards Nonconformism; away from the Tories and towards the Liberals; away from a politics which defended privilege and exclusivity in the name of Church and Monarchy and towards the politics of democratic gestures, large town meetings, freedom, righteousness, and the power of public opinion. As a successful business man, a Nonconformist, a Liberal and a brilliant public speaker, Joseph Chamberlain was in the right place at the right time.

He began as a one-issue politician, expressing the resentment of Dissenters over the fact that the 1870 Education Bill would strengthen the influence of the Established Church. However, he was soon moving towards a broader social analysis, telling his fellow Nonconformists at Manchester in 1872 that 'Special privileges in ecclesiastical matters have their counterpart in political monopolies and social class distinctions; they react injuriously on all progress and reform' (Chamberlain 1914: 20). The political implications were spelt out to the Sheffield Reform Association the following year:

> The cardinal principle of Liberalism is this – that the people shall be assisted to govern themselves; and the principle which underlies Toryism is the principle of patronage – the principle that the poor can best be governed by those who style themselves their betters.
>
> (Chamberlain 1914: 26)

These particular thoughts were not new. Chamberlain's originality and skill was in pushing through a reform programme in Birmingham which appeared to put his type of Liberalism into practice; and then making sure that everybody knew about it. He also attempted to carry his message to a national audience. At this point a paradoxical shift occurred. In Birmingham Chamberlain was able to present himself as the leader of a wise and civic-minded propertied class caring for the people's needs. When the same set of principles was projected on the national stage, Chamberlain appeared to be a rabble-rouser whipping up the people's anger against the establishment.

The civic gospel

During Chamberlain's three years at the head of the municipal corporation and the Birmingham School Board, a great deal was done. The city's gas and water supply was taken into public ownership, the corporation acquired a large amount of land in central Birmingham, the local school building programme was considerably speeded up and a start was made on laying out a great new central thoroughfare, aptly named Corporation Street. These innovations were helping to create a large administrative vested interest for the corporation, which appeared set to be under Liberal domination for several years. However, more benevolent motives also operated. The philosophy behind all this activity was set out in 1874 by Chamberlain in a speech at Hurst Street Chapel in Birmingham:

> The Corporation of Birmingham is engaged in a great struggle to promote the welfare, health and happiness of the population over which it rules, and its labours are supplemented by the individual efforts of such institutions as this. . . . I am a Radical Reformer because I would reform and remove ignorance, poverty, intemperance, and crime from their roots. What is the cause of all this ignorance and vice? Many people say . . . intemperance [but] . . . I believe that intemperance itself is only an effect produced by causes that lie deeper still. I should say these causes, in the first place, are the ignorance of the masses; and, in the second place, the horrible, shameful houses in which many of the poor are forced to live.
>
> (Chamberlain 1914: 42–4)

In practice, a great deal more emphasis was placed upon schools and libraries than improving the dwellings of the poor. Chamberlain, like Carnegie, was more interested in the 'swimming tenth' than the 'submerged tenth'. He also agreed with the American industrialist that individuals who achieved great material success also acquired great public obligations. However, unlike Carnegie, Chamberlain argued that the best way to serve the community was in the public sphere. There was no better occupation than council work for any man with ambition or a philanthropic turn of mind.

Chamberlain made his position clear enough in 1876. He had 'no sympathy at all with superior persons who sneer at municipal work. . . .

We have seen in the United States of America how the withdrawal of men of character and of ability from all concern and interest in local work has depreciated the standard of public morality.' He argued that 'our local parliament' should include 'men of the highest ability and culture' while also remaining 'in close sympathy and relationship with the mass of the people whose daily needs and common wants should find fitting and frequent expression in our midst' (Chamberlain 1914: 71–3).

As has been argued, Carnegie's 'gospel of wealth' created separation and hierarchy. It reserved to the richest owners of private property the privilege of investing surplus wealth for the good of the people as a whole. This approach clearly ranked private enterprise above the public sphere of government. It also set property, which 'knew best', in authority over the people. Chamberlain was exploring another way which became known as the 'civic gospel'. Its overt intention was to bring the energies of the private sphere into the public realm and reduce the potential for division between property and the people.

The intellectual groundwork had been laid by an influential local minister, George Dawson, who in 1861 had argued that although 'the old guilds and the old corporations had declined, we [in Birmingham] had found a new plan of forming ourselves together more in accordance with the thought and feeling of the time, and capable of bringing together a better union of classes'. In Dawson's view, adopted by Chamberlain, a town like Birmingham was 'a solemn organism through which should flow, and in which should be shaped all the highest, loftiest, and truest ends of man's intellectual and moral nature' (quoted in Dale 1898: 101).

Property and the people were to be drawn together in two ways. First, professionals, business people and ministers of religion were morally exhorted to take a leading part in managing the community's affairs through voluntary work and local government. Above all, they should take care of education and community health through municipal institutions which 'represent the authority of the people' (Chamberlain 1914: 41). This would encourage the growth of a responsible and knowledgeable citizenry who would model themselves upon, rather than becoming dependent upon, the civic establishment.

Second, through its public agencies the community as a whole would own property and enterprises, such as the gas and water supply operations mentioned previously. These would be managed by the establishment for the good of the community as a form of 'municipal socialism'.

This was indeed how Birmingham presented itself to the world during the last quarter of the nineteenth century and the early decades of the next. There was an element of self-deception in it, but the system was by no means entirely sham. It had a number of structural supports. An important material consideration was that several of Chamberlain's local Liberal allies were important local employers. Authority in the private sphere carried over into public business. Trade unions were relatively weak on the shop-floor, though treated with flattery on the political platform. The network of educational institutions developed by the new regime created a large sympathetic clientele among the lower middle class. The Liberals had important friends in the local press. They also had the 'caucus'.

The caucus, officially the National Liberal Federation, had some of the functions and organisational trappings of a modern party machine. It was a useful means of influencing opinion among the faithful. Chamberlain stressed its representative function. His message was that it supplied the democratic element in Liberal hegemony, concentrating the people's power. He insisted in 1884 that such an organisation was 'worthy the support of every true Liberal, of every man who trusts the people' (Chamberlain 1914: 118). It is worth contrasting this view of Liberal organisation with the recollections of George Holyoake, an activist from the days of the Birmingham Political Union in the 1830s:

> The famous Birmingham Political union of 1832 was 'hung up like a clean gun' . . . and never taken down again. Many years later a new Union was projected. Mr Joseph Chamberlain was in the chair. I was on the platform, and the only person present who was a member of the former union. I had no opportunity of speaking — nor indeed had anyone, save movers and seconders of motions. There was nothing radical about the proceedings. Nobody's opinion was asked. No opportunity of discussion was given. The meeting was a mere instrument for registering the business of the chair. The impression that afternoon made upon me has never left me. Nothing afterwards surprised me in the performances of the 'quick-change artiste' of the Parliamentary music hall.
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> (Holyoake 1905: 69–70)

These comments justify a brief digression.

The importance of performance

Holyoake's observations, although jaundiced, make two points. First, they indicate the degree of dominance Chamberlain was able to achieve through efficiency and organisation. Second, they give an insight into an important mode of dialogue in the public sphere between political representatives of the propertied establishment and ordinary people, with or without the vote. Holyoake used the metaphor of a music hall or theatre. The relationship between public figure and people was indeed like that between artiste and audience.

Communication between political leaders and the people at large occurred in the theatrical context of campaign oratory. The politician's task was to represent to the population their values and prejudices. While for Carnegie the performance which justified power was measured in the seclusion of the counting house, for Chamberlain it was judged on the public stage. On the one hand, performance meant achievement; on the other hand, it meant enactment.

The prize obtained by performance in Carnegie's world was surplus wealth; in Chamberlain's world it was trust. The dynamics of trust were not the same in Britain as in the United States, as Vivien Hart has pointed out (Hart 1978). In America, the sovereign people distrusted their politicians as a matter of course. The latter had an uphill struggle to prove themselves.

In Britain, the political culture was very different. It was the ruling establishment of substantial property owners who distrusted the people at large outside the pale of full citizenship. Chamberlain's message to the people was that he trusted them. Unlike his opponents, he was ready to give them tickets for the show. In 1884, a year of electoral reform, he told an audience at Denbigh:

> Well, for years the Tories resisted every extension of the suffrage; they were consistently opposed to the introduction of political power to the masses of the people. Now . . . they are seeking by pretexts and pretences to delay what they dare not any longer deny. They are in the position of the owner of a place of entertainment who should say to a great crowd outside, 'You are, we admit, entitled to admission to the performance; you have as much right to be there as those who are now enjoying what is going on, but we have not made up our minds whether we will put you in the galleries or the pit – until we do that, and we shall not hurry ourselves, you must wait outside in the cold, and the play must go on without you.
>
> (Quoted in Creswicke 1904: 161)

To continue the analogy, in a speech like this Chamberlain was putting himself outside the theatre with the waiting crowd, playing the political busker. It was not a role which endeared him to the management.

The national stage

In Birmingham Chamberlain dominated public opinion. He had helped a new propertied establishment into power and enjoyed their support. Although many leading Liberals were Anglican (including the leading local newspaper editor), tap roots were sunk deep into local Dissent. There were ties of interest and, perhaps, even idealism with the beneficiaries of local public education. In this context, Chamberlain could afford to talk like a democrat or even a republican.

Outside of Birmingham, the same rhetoric made property owners uncomfortable, especially in rural areas and in Westminster. In those contexts Chamberlain sounded radical and did not look like a gentleman. When he first spoke in Parliament, one Tory member murmured that he seemed like 'a head clerk at a West End draper's' (McCarthy 1904: 80).

The discomfort generated by Chamberlain among property owners reached a peak during the early 1880s, culminating in his speeches in favour of his own 'unauthorised' programme for Liberalism. The latter was a radical manifesto issued without reference to the party's national leadership.

It was not pleasant for landowners to read in their newspapers that Chamberlain believed 'the rights of property have been so much extended that the rights of the community have almost altogether disappeared', or that 'the prosperity and the comfort and the liberties of a great proportion of the population have been laid at the feet of a small number of proprietors who "neither toil nor spin" ' (Chamberlain 1914: 171).

Chamberlain deliberately evoked memories of the English Civil War, of Puritan grievances and the enclosure of common land. He declared:

> I hold that the sanctity of public property is greater even than that of private property, and that if it has been lost, or wasted, or stolen, some equivalent must be found for it, and some compensation may be fairly exacted from the wrongdoer.
>
> (Chamberlain 1914: 155)

Anxiety was especially intense when Chamberlain reminded his audience that 'Society is banded together in order to protect itself against the instinct of those of its members who would make very short work of private ownership if left alone' and asked: 'what ransom will property pay for the security which it enjoys?' (137).

No one would pretend that Chamberlain's speeches were finely-argued treatises in political philosophy. His thinking veered between natural rights theory and utilitarianism and, in the latter case, between James Mill and John Stuart Mill. The latter would probably have sympathised with Chamberlain's regret that in agriculture, 'There has been no force tending to dispersion and subdivision' since there was a great need for 'the re-establishment upon the land of the old class of yeomen who were at one time the most independent and the most prosperous class in the kingdom' (157–8).

Chamberlain also wanted to reduce the political power of large landlords by setting up a rural system of local government. Extensive government intervention to promote universal education was also on his agenda. In fact, Chamberlain was never given the opportunity to put his manifesto into practice.

Conclusion

To summarise, Carnegie argued, first, that 'triumphant' democracy created the conditions for capitalist growth; second, that the market selected winners, such as himself; third, that their wealth and moral fitness gave these winners the duty to sponsor the spread of educational opportunity among the people (thus strengthening democracy); and, fourth, that social leadership should be provided by the sphere of great private wealth, leaving politicians in the public sphere with the secondary task of following the dictates of a public opinion elevated by the influence of industrialists and bankers.

Given his assumptions about the ethical character of the market's judgements and the beneficial tendency of evolution, Carnegie's paternalism has a certain coherence. Criticism has mainly fastened upon his apparent hypocrisy, for example, over the Homestead strike. Compared to Carnegie, the case of Chamberlain is more complex.

Chamberlain is commonly regarded as having been a failure when it comes to national politics. However, in Birmingham it was a different story. The Liberal establishment which he led to power – a mixture of businessmen, professionals and bureaucrats – achieved the kind of central dominance over a specific local polity that John Stuart Mill had hoped might be possible nationally. This was done in the name of the people. More precisely – and it slightly changes the tone – in the name of the people of Birmingham.

The civic leadership straddled the public and private sectors and, for a while at least, maintained sympathetic two-way communication with the more articulate and organised part of the local working class (see Smith 1982). During the last quarter of the century, especially after the party split over Irish Home Rule in 1886, the Liberal establishment gradually merged with its Conservative Anglican counterpart. The Chamberlain clique remained dominant, however. Joseph's son, Neville, became mayor in 1915.

Despite his 'Jack Cade' image, Chamberlain 'never thought it possible or expedient to bring everything down to one dead level. . . . The strong man and the able man must always be first in the race' (Chamberlain 1914: 142). Furthermore, although the local caucus went in for its share of jobbery and political favour-mongering it was never capable of imposing the kind of blanket repression of thought that Mill feared.

When Julian Ralph, a New Yorker, visited Birmingham in 1890, he was informed that Birmingham was

> a city that builds its own street railroads, makes and sells its own gas, collects and sells its water supply, raises and sells a great part of the food of its inhabitants, provides them with a free museum, art gallery, and art school, gives them swimming and Turkish baths at less than cost, and interests a larger proportion of its people in responsibility for and management of its affairs than any city in the United Kingdom, if not the world. It is [he concluded], above all else, a business city, run by business men on business principles.
>
> (Ralph 1890: 99)

Birmingham Liberalism never really lived up to its own propaganda. However, it provided one working model, on a very small scale, of the successful transfer of political power from a gentrified Tory regime to a relatively enlightened urban patriciate prepared to experiment with 'socialistic' schemes in a spirit of community improvement. The extensive scheme of educational institutions was eventually crowned by the inauguration of Birmingham University, aided by a massive endowment from Andrew Carnegie. Joseph Chamberlain was the university's first chancellor. In terms of Mill's ideas these were all substantial moves in the right direction. In the light of Mill's social anxieties, it is ironic that the dominant figure should have been a Dissenting industrialist proud to declare 'I belong to the middle class' (Chamberlain 1914: 23).