

# OUR GRAND OLD GOVERNING CLASS

## (In Two Acts)

### II.

#### THE EMPIRE BUILDERS

THE Glorious Revolution, as we showed last month, put political authority into the hands of a select coterie of great landed proprietors, interested above everything in the maintenance of a Church Establishment and a Parliamentary Government (strictly limited in franchise and at the mercy of an oligarchic executive), which would assure them in the enjoyment of their ill-gotten estates, enable them to add to these and fix them in control of State Funds. This *coup d'état* was carried through with the assistance of financiers, mainly of alien origin, who received their reward in the entry that was afforded them into the rapidly appreciating commerce of a carefully protected Colonial System. Powerful economic interests were admitted within the gate, so placing at the disposal of the landed class an alternative fund of loan capital upon which, in addition to native sources of money, they could draw.

The great Whig Families governed England—and Scotland—for the next fifty years after 1690 almost undisputed. In the following twenty years or so the Whig regime was undergoing modifications but, for three-quarters of a century, it was an alliance of British landed property and Dutch loan capital that retained the real mastery of the United Kingdom.

Meanwhile, a new mercantile community was in course of evolution in London, Bristol, Norwich, Lancaster, Newcastle, Liverpool,

Edinburgh, Glasgow, and others of the larger towns. The merchants handling colonial produce, dealing in wool and linen, sending coal to London from the Tyne and Wear, and trading in corn, were entering into the business of banking and were assuming a very real importance economically that caused them to challenge the policy and assail the political monopoly of the landed magnates and their banking allies.

William Pitt the Elder was the spokesman and, in office, the agent of these new elements, voicing the aspirations and serving the interests of the commercial class. His whole policy was directed towards the extension of their markets and the widening of their opportunities. His was "the will to power" of the stockholders of the East India Company, the planters of Virginia and the West Indies, the merchants of the ports whose mercantile marine had been protected by the Navigation Laws and enriched by privateering. His son, William Pitt the Younger, expressed "the will to retain power" of the merchant and the landed classes, fused more and more in the intervening generation between the Seven Years War and the French Revolution and, by the latter event, rallied together in Britain and the United States against all subversive ideas and the assault on their class monopolies of all new and sturdy elements amongst the rising middle-class of their generation.

William Pitt the Younger had for his friend and adviser in financial matters, Thomas Coutts, one of the new bankers of the 18th century, and placed his loans to finance the French Wars with other 18th century banking houses, like Smith, Payne and Smith (the origin of the National Provincial Bank), Barings and Ricardos.

The merchant class, especially in so far as it had disguised itself as a landed class and had acquired by patent or by marriage, titles, and, by purchase, pocket boroughs, was completely in the saddle by the close of the Napoleonic Wars.

Those who held power and who directed policy until the Reform Act were, in the main, those representing the families who had made money between 1740 and 1790. They constituted the solid mass of Toryism. They had upon their flank, however, and in general alliance with them, the mercantile families who had been trading in the raw materials and the finished products of the new manufacturing industry that had developed after 1776. Their Toryism was, therefore, modified by a more liberal tendency in all that affected commercial legislation and in the sphere of foreign relations, notably with South America which, revolting from Spain and Portugal, was opening its markets to London and Liverpool trade and finance.

Canning and Huskisson, two Tories who sat for Liverpool, Peel, the son of a Blackburn calico printer, and Gladstone, the son of a great corn merchant and cane-sugar planter of Liverpool, were the

representatives, pre-eminently, of this adjustment of the outlook of the governing class to harmonise with the interests of the new recruits joining its ranks and the new tendencies resulting from the Industrial Revolution.

The governing class of this period of British history was pre-eminently of native origin and much more truly national in character than at any time before or since. It was constituted of the pick of those elements of the English and Scottish nations who had accumulated the rents of lands stolen from the Church or filched from the common folk and subsequently improved and put under stock or corn, the profits of commerce in agriculture, handicraft and colonial produce, and the interest on loans advanced on favourable terms to a government controlled by its creditors. It had been revolutionary. It had resisted, overcome, remodelled and directed the state machine. It had possessed itself of power and had exercised it—at home and everywhere that a British squadron of line-of-battleships could go. It could say—"Britain, that is our class!"

There was, however, another contingent advancing its menacing challenge to this magnificent monopoly and seeming in its vigorous economic development and political activity to threaten the overthrow of all authority as by custom and by law established. It was not so national in its composition or in its outlook. It consisted of the brokers, shippers and loan agents of the new textile capitalism of the steam factories, the more successful manufacturers of the new jungle towns of the Industrial Revolution, and all the religious, philanthropic elements depended upon their bounty and gave idealist expression to their petit-bourgeois mentality. It was in general sympathy with the new political thought that was expressing itself on the Continent and in America, where the bourgeoisie was at death grips with the landed magnates and with established authority in Church and State. In Lancashire, in Yorkshire and in London there were export firms, notably piece-goods merchants and corn factors, like the Rothschilds, the Behrens and the Rallis, who were opening up markets first for cottons and woollens and, later, for engineering and railway material all over Europe and in the New World and the new settlements of Cape Colony and Australia.

The Catholic and Jewish Emancipation movements met and co-operated in an alliance with the Whig and Radical politicians and manufacturers to break down the monopoly of the Tory merchants, squires and parsons in the administrative and social life of Great Britain. The new merchants and bankers, trading in raw materials, manufactures, bullion and credit between London, Liverpool, Manchester, Leeds, Bradford, Hamburg, Antwerp, Frankfurt, Smyrna and Alexandria were beating at the doors of Parliament, demanding the withdrawal of the privileges of the Chartered Companies, the

abolition of the Corn Laws, the establishment of Universal Free Trade and banking and currency reform.

They were, on the Continent, the dominant elements in the Revolutions of 1830 and 1848. The first was the Revolution for Rothschilds against Barings and Hopes. The second was the Revolution against Rothschilds for the newer generation of cotton goods merchants and loan-mongers.

From 1847 onwards, in this country, and from 1851, in France, the new governing class of the Empire Builders got their grip upon the state power on both sides of the Channel. Their failure in Germany and in Austria was, in very truth, the genesis of the World War. They conquered in Britain, France, Belgium, Italy and in the United States. Victory in these countries gave them the entry into all countries and the reversion of the Empire of the Earth, except where, under Kaiserism, the State eluded their grasp.

The Rothschilds exercised enormous but always very indefinite power behind the scenes of British politics during the fifty years after the passing of the Reform Bill. They stood always by the side of Lord John Russell. They had, however, many and powerful rivals, notably the Barings, the bankers of the Tories. They were gradually compelled to give ground before a younger group, issuing like themselves from Frankfurt and from the cities of the Rhineland. These were the Goschens, the Erlangers and last, but by no means least, the house of Bischoffsheim, Goldschmidt and Co. This last is a name almost forgotten, a name never very well known in this country, but only because this firm knew how well to cover its tracks. Everyone who studies Imperialism has heard of Baron Hirsch, everyone knows the name of Sir Ernest Cassel, "banker to the King of England." Yet these were only Bischoffsheims' poor relatives, their office boys. They were, like Morgans, cotton merchants to commence with. Their headquarters were in Brussels, Paris and Antwerp. They were the founders of the great French industrial and trade bank, the Banque de Paris et des Pays Bas.

They were, with perhaps the single exception of Morgans, the greatest credit house in the world. They gathered in available capital from everywhere and poured it into every one of the new countries. They were to the forefront in Egypt, they were everywhere in the Balkans and Russia and Argentina. They were in Morocco and in South Africa, in the Congo and in China, in Mesopotamia and in Persia.

The Erlangers, whose name is to-day coming more and more prominently to the fore, were in at the birth of the British South Africa Company. They were deep in the Rand Gold Mines. They drove their fangs into Algeria, Greece and Egypt. Everywhere that there is a helpless debtor state or a promising railway concession,

assuring fabulous interest, there do we find flying first in the line of capitalist vultures, those favourites at Court, the d'Erlangers, whose father, "entitled either to French or German nationality" was so kind as to elect to be British. As for the Goschens, well, to look at the *Directory of Directors* leaves you with no doubt that "this sceptered isle" is "the land of Goschen." They are It, especially in India.

Then, the Sassoons and the Montagus, the Schröders and the Samuels, the Grenfells, the Hambros, the Hoares, the Glyns and the Mills, the Lazards—saloon keepers in the '49—and Seligmans—the old clothes dealers of San Francisco—the Astors—who traded whiskey for furs, the Barnatos of Whitechapel, the Guinnesses of Dublin, the Strakosches of Johannesburg, and the Szarvasys of the *Daily Mail* and "somewhere in Central Europe"—cannot we have them all on show at Wembley to witness to the glory and profit of Henry Dubb's "British" Empire?

J. T. WALTON NEWBOLD.