

Revised Edition

What is
The
ECONOMIC LEAGUE?

FOREWORD

by

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Second Impression

ONE PENNY

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NOTE

This is a completely revised edition of a pamphlet first issued in 1927.

FOREWORD

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Secretary, Mineworkers' Federation of Great Britain

What is the Economic League? Whom does it represent? What is its purpose? The Labour Research Department has rendered a service to the labour movement by answering effectively these questions in a pamphlet written with clarity and supported by facts.

That the paid hirelings of the Economic League operate in nearly every village of the country may be known. That they are an anti-labour and anti-socialist organisation may be suspect. This pamphlet unmasks their high-sounding title and proves to the listening public that the Economic League is acting on behalf of British capitalism.

This pamphlet fulfils a great need in showing the insidious ways and methods that are used to prevent the workers' onward march to a better existence. It reminds the labour movement that their case is not assisted by closing their ears and shutting their eyes to capitalist propaganda irrespective of the garb in which it mounts the platform. Our movement must convince the mass, if action is to be successful.

I hope this pamphlet will render assistance to many of our people who are faced with the spokesmen of the Economic League. It deserves a wide circulation.

May, 1937

WHAT IS THE ECONOMIC LEAGUE?

DURING the recent campaign of the miners for an increase in wages, workers, especially in the mining areas, have heard and seen a good deal of the Economic League. Workers in all industries where demands have been made for better conditions cannot but have wondered why innumerable speakers have been touring the country on behalf of this League, and many districts have been flooded with its literature.

The Economic League advertises itself as an impartial body, "non-party and non-sectarian," spreading education and enlightenment just out of kindness of heart.

What is this organisation which spends such vast sums in "economic" propaganda? For an answer we have to go back to the years immediately after the war. At that period a whole series of blackleg organisations and propaganda agencies were set up by the capitalist class. In *Strike-Breaking Organisations* (Labour White Paper No. 13) the Labour Research Department traced the development of the more important blackleg organisations since 1919; in addition, there were the capitalist propaganda agencies, among which was an organisation styling itself National Propaganda.

National Propaganda numbered among its patrons coal, railway, finance and other magnates; and its objects were "to diminish industrial unrest," to prove by economic propaganda "the vital necessity of increased production," and "to combat all activities directed against constitutional government." It produced the *National Propaganda Bulletin*,

and issued leaflets and other literature, but apparently did not meet with much success, as it was too easily recognised for what it was.

It therefore decided to set up Economic Study Clubs, and announced in 1920 that in future its leaflets would be "based on economic statements emanating from Oxford, but written in simple language, easily understood." In other words, it decided to drop the open form of capitalist propaganda, and to develop a more insidious form. Thus National Propaganda died, and the Council of Economic Leagues rose from its ashes. With such antecedents, the appearance of the Economic League in the campaign against the miners can be readily understood.

THE LEAGUE'S OBJECTS

The published objects originally were:

To disseminate economic knowledge, particularly:—

- (a) to combat the fallacious economic doctrines of Collectivism, Socialism, and Communism;
- (b) to uphold individual freedom, enterprise, and initiative.

Its real objects were brought out clearly in the following quotation from its Speakers' Notes, No. 56 (July 16, 1926):

What is required is some years of propaganda for capitalism as the *finest system that human ingenuity can devise*, to counteract the forty years of propaganda for Socialism.

In the view of the organisers of the Economic League, a further change in the objects has since become necessary. To-day the publications of the Economic League announce that the objects are:

1. To further the best interests of British industry and trade by creating a nation-wide understanding of their problems and workings.

2. To arouse a general public interest in the study of economics, believing that such study is a national necessity.
3. To refute uneconomic doctrines based not upon facts but upon sentiment and false assertion.
4. To oppose all subversive elements which may attempt, by stirring up strikes and disaffection, to interrupt the smooth working of the industrial machine.
5. To counter all attempts to undermine our national security.

The League's service, we are told, is rendered by "maintaining a continuous stream of propaganda directed towards the promotion of maximum efficiency and genuine co-operation . . . to eliminate industrial strife." In its own frank language, its object is "to watch and report upon the activities of individuals and organisations whose operations are directed against the best interests of *subscribers*. . . ." These quotations are taken from a leaflet for private circulation, wherein was also included the information that the annual subscription is not less than five guineas, the basis being 6d. per cent on the annual pay roll.

The suggestion of industrial espionage contained in the last quotation shows how dangerous is the Economic League to the active trade unionist and labour man. The Economic League, for obvious reasons, is not very communicative on this aspect of its work, as will be seen from the following extract from the 1935 Annual Report of the London and District section of the League:

A large number of confidential enquiries have been undertaken on behalf of subscribers. The League claims that industry should not be used as an arena for warring political factions, or as the prey of subversive agents. Much useful work has been done in

countering such tendencies, but it would be inadvisable to include particulars of these activities in a Report of this character. (*Heavy type in original*).

WHO IS THE ECONOMIC LEAGUE?

By this question we do not mean who are the bright speakers who come and reel off the "economic statements emanating from Oxford" with which they have been stuffed, but who are the men who send out the speakers and the literature? Who pay the salaries and the printing bills and the other expenses? The present list of members of its central council and of its district councils is a good enough indication of where the money comes from, and of whose interests are served by the League's propaganda. We have not space enough for the whole list, but give below some of the more interesting examples of the really "non-party and non-sectarian" character of the Economic League.

COALOWNERS WHO RUN THE LEAGUE

Here, for instance, are a few coalowners who help to run the League. Their links with other branches of capitalist activity are shown after their names:

Lord Gainford, P.C., J.P., D.L.; Member of Advisory Committees to the Board of Education; President of Board of Education, 1911-15; Chairman, British Broadcasting Corporation, 1922-26; Vice-Chairman, 1926-32. Also concerned in: Durham Coal Owners' Association (deputy chairman); Durham District Board (Mines Act, 1930) (vice-chairman); National Association of Coke and By-Products Owners (chairman); Broomhill Collieries Ltd. (director); Broomhill Steamships Ltd. (director); County of London Electric Supply Co. Ltd. (director); Folkestone Electric Supply Co. Ltd. (director); Kent Electric Power Co. (director); Pease & Partners Ltd. (director); Royal Insurance Co. Ltd. (Darlington Local Board); South-

East Kent Electric Power Co. Ltd. (director); South London Electric Supply Corporation Ltd. (chairman); Weald Electric Supply Co. Ltd. (chairman).

Sir W. Benton-Jones, LL.D.; vice-President of the Mining Association of Great Britain, and director of: Appleby-Frodingham Steel Co. Ltd. (chairman); Beckermeth Mining Co. Ltd.; Holwell Iron Co. Ltd.; Moresby Coal Co. Ltd. (chairman); North Lincolnshire and Howdenshire Electricity Co. Ltd.; Robert Stephenson & Co. Ltd. (Chairman); Samuel Fox & Co. Ltd. (chairman); Stanton Iron Works Co. Ltd.; United Steel Companies Ltd. (chairman); Western Dominion Collieries Ltd.; Westminster Bank Ltd.; Westminster Bank Foreign Bank Ltd.; Yorkshire Electric Power Co.

Clive Cookson, Chairman, Cookson & Co. Ltd.; Vice-President, Federation of British Industries (Council); Chairman, Acomb Coal Co. Ltd.; Chairman, Associated Lead Manufacturers Ltd.; Chairman, British and Foreign Metal and Chemical Co. Ltd.; Chairman, Consett Iron Co. Ltd.; Director, Consett Spanish Ore Co. Ltd.; Chairman and Managing Director, Cookson Lead and Antimony Co. Ltd.; Chairman, Cookson Produce and Chemical Co. Ltd.; Chairman, Cowper Coal Co. Ltd.; Chairman, Goodlass Wall and Lead Industries Ltd.; Chairman, Hazlerigg and Burradon Coal Co. Ltd.; Chairman, Howdon Barge and Transport Co. Ltd.; Chairman, Mickley Coal Co. Ltd.; Chairman, Northern Developments and Finance Ltd.; Local Board, North British and Mercantile Insurance Co. Ltd.; Chairman, Redheugh Trust Ltd.; Chairman, Republican Mining and Metal Co. Ltd.; Chairman, Wm. Benson and Son Ltd.

Sir Adam Nimmo, K.B.E.; Vice-President, Mining Association of Great Britain; Chairman, James Nimmo and Co. Ltd.; Chairman, Fife Coal Co. Ltd.; Chairman, Shotts Iron Co. Ltd.; Chairman, Scottish Boiler and General Insurance Co. Ltd.; Director, Yorkshire Insurance Co. Ltd.; Director, Ailsa Investment Trust Ltd.

Despite the predominant part in the control of the League played by coal capitalists, many other representatives of Big Business are active. A few are listed below:

Steel

Sir R. A. Hadfield, J.P.; Vice-President, Federation of British Industries; Vice-President, British Electrical and Allied Manufacturers' Association, Inc.; Chairman, Hadfields Ltd.; Director, Sheffield Gas Co.

Banking, Insurance and Finance

Rt. Hon. Lord Riverdale, K.B.E., J.P.; Member of: Advisory Council for Scientific and Industrial Research, 1935; Board of Trade Engineering Industries Committee, 1916; Advisory Committee on War Munitions; Coal Industry Commission, 1919; Chairman, Committee on Industry and Trade, 1924. Also on the Board of: National Provincial Bank Ltd. (head office and local board) (director); Allied Assurance Co. Ltd. (Yorks and Derby local board); Arthur Balfour and Co. Ltd. (chairman and managing director); C. Meadows and Co. Ltd. (director); High Speed Steel Alloys Ltd. (chairman); Halifax Building Society (director); Sheffield Gas Co. (director); Submarine Cables Ltd. (director); Telegraph Construction and Maintenance Co. Ltd. (director).

Lieut.-Col. Sir Alan J. Sykes, Bart., J.P., D.L., V.D.; M.P., Knutsford Division, Cheshire, 1910-22; Chairman, Bleachers Association Ltd.; Director, Williams Deacon's Bank Ltd.

Major C. M. Kindersley, O.B.E. (on London Executive Committee); brother of Sir Robert Kindersley of the Bank of England; Partner, Montague Stanley and Co. (stock-brokers); Director, Clerical Medical and General Life Assurance Society Ltd.; Director, General Reversionary and Investment Co.; Director, Trust Houses Ltd.; Director, Antwerp Oil Wharves Ltd.; Chairman, Electro Chemical Processes Ltd.; Late Civil Service.

A. Kentish Barnes, Late senior partner, Mellor and Fenton (cotton merchants); Chairman, British and Foreign Marine Insurance Co. Ltd.; Deputy-Chairman, Liverpool and London and Globe Insurance Co. Ltd.; Director, Thames and Mersey Marine Insurance Co. Ltd.; Deputy Chairman, Royal Insurance Co. Ltd.; Member of Cotton Control Board, Manchester.

Imperial Chemical Industries

Sir Harry McGowan, K.B.E., LL.D.; Chairman, I.C.I. (also Managing Director); Deputy-Chairman, African Explosives and Industries Ltd.; Director, Canadian Industries Ltd.; Director, Midland Bank Ltd.; Midland Bank Executor and Trustee Co. Ltd.; Director, British Overseas Bank Ltd.; Director, General Motors Corporation, New York; Chairman, Finance Company of Great Britain and America Ltd.; Director, I.C.I. (China, Egypt, Levant, Australia and New Zealand); Director, International Nickel Co. of Canada (and on advisory committee); Director, London and Lancashire Insurance Co. Ltd.; Chairman, Nobel Chemical Finishes Ltd.; Chairman, Portland Glass Co. Ltd.; Cape Explosives Ltd.

Dr. W. H. Coates, LL.B., B.Sc., Ph.D.; Director, Imperial Chemical Industries Ltd.; Director, Thames House Estates Ltd.; Member, Senate University of London, 1929-33; Member, Board of Governors, London School of Economics and Birkbeck College; Member of Sugar Commission, 1936; Director, Finance Co. of Great Britain and America Ltd.; Director, Welsbach Light Co. Ltd.

Federation of British Industries

Neville Gwyn Gwynne, C.B.E.; Managing Director, Gwynne's Pumps Ltd.; Vice-President, F.B.I.; Director, Wm. Foster and Co. Ltd.

Alderman Sir H. Speakman, J.P.; Member of Executive Committee of F.B.I.; Chairman, Astley Estate Co. Ltd.; Director, Bridgewater Estates Ltd.; Director, Manchester Collieries Ltd.; Director, Atherton Mills Ltd.; Director, Harrison, McGregor and Co. Ltd.; Member, Executive Council, Mining Association of Great Britain (1931-33).

Shipping:

Sir Richard Holt, Bart.; Partner, Alfred Holt and Co. (ship-owners); Chairman, Elder Dempster Lines Ltd.; Chairman, Mersey Docks and Harbour Board; Director, China Mutual Steam Navigation Co. Ltd.; Chairman, Glen Line Ltd.; Chairman, India Buildings Ltd.; Deputy-Chairman,

Martin's Bank Ltd.; Director, Ocean Steamship Co. Ltd.; Director, Tientsin Lighter Co. Ltd.

W. L. Runciman: Director, Walter Runciman and Co. Ltd.; Managing Director, Anchor Line (1935) Ltd.; Director, Blyth Drydocks and Shipbuilding Co. Ltd.; Director, British Steamship Owners' Association; Director Cleveland Bridge and Engineering Co. Ltd.; Director, Cramlington Aircraft Ltd.; Director, Doxford Estates Co.; Director, Lloyds Bank Ltd.; Director, Moor Line Ltd.; Director, Palmers Hebburn Co. Ltd.; Director, Production-Engineering Ltd.; Director, North of England Protection and Indemnity Association; Director, Short Bros. (Rochester and Bedford) Ltd.

Distillers and Breweries

Thos. Wilkinson: Director, British Vinegars Ltd.; Director, Distillers Co. Ltd.; Director, Humphrey Taylor and Co. Ltd.; Director, J. and G. Stewart Ltd.; Director, James Buchanan and Co. Ltd.; Director, John Haig and Co. Ltd.; Director, John Hopkins and Co. Ltd.

The foregoing examples are enough to show that the Economic League is simply an employers' propaganda agency, the purpose of which is to create doubt and division among the workers, so that they will be more easily beaten down.

ACTIVITIES OF THE LEAGUE

The report for 1935 gives the following among the list of activities of the Economic League:

- 13,000 meetings;
- 11,000 organised group talks;
- 2,500,000 leaflets distributed;
- 20,000 inches of press publicity gained.

A leaflet issued in 1936 setting out a summary of recent activities contains the following table:

	Number of Meetings held	Leaflets distributed
1931	... 11,007	... 1,000,000
1932	... 11,664	... 1,250,000
1933	... 11,956	... 1,250,000
1934	... 11,904	... 1,230,000
1935	... 13,036	... 2,471,189

Why this intensification of activity? The workers are demanding better conditions and wage increases. The increased membership of the trade unions is a sign, too, that the workers are not prepared to allow the bad conditions imposed upon them in the heavy years of the depression to continue indefinitely. Hence, at the behest of the employers, the Economic League engages in a frenzied burst of activity. The growth of socialist ideas among the workers causes deep concern to the pundits of the Economic League. "Even in small country towns," says the 1935 annual report, "it was noticeable how socialist propaganda had permeated these outlying areas."

APPEAL TO THE MASSES

A reference in the 1935 Annual Report is very illuminating:

Considerable care is given to the preparation of leaflets and pamphlets which *might make the desired appeal to the masses*. Subjects have been carefully selected and have been written up in as concise and telling a fashion as possible. (*Our italics*).

That one of the main objects of the Economic League is to create confusion in the ranks of the working-class movement is shown by the boast that one of its leaflets "proved of considerable embarrassment to the Socialists."

It will be seen, then, that this organisation, in common with many others of a similar character, is chiefly supported by members of the F.B.I., mine-owners and other capitalist groups, and that from the nature of the leaders of this League its work can only be in direct opposition to the working class.

THE NEED FOR RESEARCH

The Economic League realises the value of research work. If the results of research, however, are to be of value it must be objective and scientific; the research advanced by the Economic League in its leaflets is pure capitalist propaganda, in which "economic facts" are served up in the way most useful to the interests of the employers. One example will suffice to illustrate the methods of the Economic League. In a leaflet on "Who Controls British Industry?" (No. 2, 1936) it is argued that British industry is owned by a mass of small shareholders. It is mentioned that Imperial Chemical Industries Ltd., with a capital of £77 million, has 180,000 shareholders and thus the average holding is only £430. The arithmetic is correct. But the Economic League omits to mention that there are many large shareholders.

For example, one shareholder alone, Solvay et Cie, a Belgian concern, holds shares to the value of £2,636,020.* To speak of an average shareholding in these circumstances is to deceive people as to the real facts.

Against this insidious propaganda the only effective defence is the use of economic facts *from the*

*11th May, 1936.

working-class standpoint. This is the work of the Labour Research Department, and we ask readers to realise that in helping to spread the literature issued by the Labour Research Department they are taking the best possible means of counteracting the poison which is being spread by the Economic League and other employers' agencies.

Individual membership of the L.R.D. is 10s. 6d. per annum.

The affiliation fee for trade union branches, trades councils, and other local organisations is £1 per annum.

Apply to the Secretary, L.R.D., 60 Doughty Street, London, W.C.1.

Further supplies of this pamphlet can be obtained at the following rates:

Rates for Quantities :

10d. for 12; 1/6 for 24; 3/- for 50; 5/9 for 100; 28/9 for 500 post free.

WORKERS NEED EXPERT HELP

The Labour Research Department has a long tradition of equipping the workers' negotiators—local and national—and speakers with the full battery of facts needed to conduct the struggle.

Apart from special enquiries it publishes

“LABOUR RESEARCH” (Price 3d.)

a monthly journal presenting the salient facts on Capital and Labour, and a number of books and pamphlets.

For details as to membership, affiliation, etc., write to the Secretary, Labour Research Department.

KEEP IN TOUCH

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