

The Gregs of Styal

by Robert Thomas

The modern village and estate of Styal are situated in countryside nine miles south of the city of Manchester in northern England. At the center of the village is the factory mill which, powered by the waters of the river Bollin, still spins and weaves cotton as it has done for over two hundred years. The present-day textile production at Styal is part of an acclaimed working industrial museum visited by many thousands of people each year. The museum seeks to reproduce accurately the methods and working conditions of the Industrial Revolution, and has received both the British Museum of the Year Award and the European "Europa Nostra" diploma for restoration and interpretation.

In the 19th century, the Styal mill was at the center of a great industrial and commercial empire involved in the production and selling of cotton goods. The Greg family who owned Styal were not only highly successful businessmen, they were also ardent advocates of free trade. These individualist beliefs were expressed in the business philosophy which they applied to the running of mills such as Styal, and in their political activities where they were involved in the campaign against the restrictive Corn Laws.

The advent of the Industrial Revolution in Britain saw the rapid expansion in the size and industrial import of Manchester and the surrounding area. Between 1773 and 1801 the population of Manchester more than trebled with a contemporary witness recording the building of "hundreds of five and six storied factories, each with a towering chimney at its side which exhales black coal vapour."

During the period from 1760 to 1829 the value of English cotton exports, on which the region's wealth was based, rose from an average of

£200,000 to over £37 million a year. The region's combination of industrial self-sufficiency within Britain and important international contacts gave rise to a distinct set of social and political attitudes and values amongst the new industrialists of the area who believed in an ethos of individualism, self-help, and free trade. The Gregs, who in the late 18th and early 19th centuries rose to be among the greatest of the northern "cotton kings," were typical of this.

When Samuel Greg founded his mill at Styal outside Manchester in 1784 he was already a man of some wealth from an established non-conformist merchant family. Circumstances at the time were favorable for a movement into cotton manufacturing. The American War of Independence had recently ended, opening up new markets for cotton goods. In 1783 the patent on Arkwright's new spinning machine known as "the spinning Jenny" had expired, relieving manufacturers such as Greg of the burden of license fees. The Styal site situated on the river Bollin offered a highly suitable source of water power. A combination of business dynamism and family contacts allowed Samuel Greg to expand his firm, establishing new factory mills in the area at Bury, Bollington, Caton, and Lancaster that employed more than 2,000 people. Despite an uncertain period during the Napoleonic wars, when substantial losses were suffered on goods being traded in Spain, the Greg factories continued to be highly profitable. Overall returns in the Greg factories between 1819 and 1831 averaged 13.2 percent comparing favorably with other factory mills in the area.

Samuel Greg died in 1834 and the family firm passed into the joint management of his sons. The firm was dissolved in 1841 and the mills divided among the Greg brothers. Two of the brothers, Samuel and William, soon dropped out of the cotton industry, leaving the mills at Lancaster, Caton,

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and Bollington to be run by John Greg. The original mill at Styal was run by Robert Hyde Greg along with new mills he had acquired at Calver and Reddish. These mills remained profitable under Robert Hyde Greg's management until his death in 1875. The latter 19th and 20th century saw a decline in the area's cotton industry. Styal mill, however, remained in production until 1939 when the mill and estate were purchased by the National Trust. Styal mill opened to the public as a museum in 1978. The descendants of Samuel Greg still live in Styal village.

A Harmony of Interests

Fundamental to the Gregs' outlook was a belief that there was a harmony of interests between the employer and the employee. The Gregs invested in providing good working and living conditions for their parish apprentices and factory operatives in the belief that such a policy would be rewarded by hard work and good labor relations.

The apprentices were poor children from workhouses bound by their local parish authorities (who were responsible for them) into trades for a period of seven years. This system had its origin in 16th-century poor-law legislation and was intended to teach the children skills that would support them in later life. The system was condemned by contemporary social critics as the involuntary nature of the apprentice labor often led to poor conditions of employment and documented abuses by some mill owners. Poor working conditions were, however, alien to the policy and philosophy of the Gregs, who believed that a badly treated and unhealthy workforce would inevitably be an inefficient workforce. The good conditions maintained by the Gregs for their apprentices would seem to account for the many recorded instances of apprentices staying on at Styal after their seven years were up. One former apprentice said that at Styal "the rooms were very clean, the floors frequently washed, the rooms aired every day and white washed once a year." A medical officer was maintained to treat any apprentices who fell ill, and care was taken to provide a varied diet. As a result, there were comparatively few deaths at Styal mill, and hardly any were the result of mill work. Education was also provided for the apprentices—possibly due to the liberal influence of Samuel's wife, Hannah Greg—with the children

being given a basic education supplemented by music lessons and religious instruction.

In the 1820s, when the Factory Acts discouraged the employment of juvenile labor and parish children were less readily available, the Gregs sought to create a stable community at Styal. In order to attract adults the Gregs provided housing for their workers. Between 1819 and 1831 over £6000 was spent on cottage development, and by 1873 there were 108 cottages at Styal, housing some 538 workers. The Gregs also attempted to create a cultural life for their employees by providing a school, a chapel, and a shop, and encouraging the establishment of a Female Society and a debating society. A branch of the Mechanics Institute was set up at the mill. The Gregs' investment in their workforce seems to have paid off, as until the last quarter of the 19th century Styal mill enjoyed a very low level of labor turnover. Labor relations also appear to have been good: the mill was stopped by industrial action only once during the whole of the 19th century.

This evidence of good relations between factory owner and workers contrasts markedly with the grim picture of exploitation and class hatred offered by such writers as Friedrich Engels who observed the Manchester area in this period. All the measures taken by the Gregs to benefit their workers were, however, meant to enhance the productivity and profitability of the mill rather than as part of any scheme of social improvement. It was in the ultimate interest of owner and employee alike to see that the mill continued to be profitable. This was, however, forgotten by Samuel Greg, Jr., when he took over the running of Bollington Mill in 1832. Samuel, Jr., saw the mill not as a chance to make money but as an opportunity to carry out a social experiment—similar to that effected by the socialist pioneer Robert Owen in his factories at New Lanark—in order to "elevate the conditions of the labouring classes." In pursuit of this aim Samuel, Jr., gave lessons in natural history, held tea parties for his workers and established an "Order of the Silver Cross" to be awarded to girls of 17 and 18 who showed a "superiority of character and manner." While these high-minded ideals consumed Samuel's interests, the Bollington mill's finances were neglected. Falling profitability and increasing debt led to a breakdown in labor relations in 1846. As a result the running of Bollington mill was taken over by John Greg, who applied

rational business aims once more to the management of the mill.

British politics before the industrial revolution had been the almost exclusive domain of the landed aristocracy. Increasingly, however, in the 19th century the newly powerful factory owners and industrialists became involved in politics. One of the Gregs' fellow cotton mill owners, Robert Peel from nearby Bolton, was to become Prime Minister. Peel's Tamworth manifesto published in 1834 is credited with being one of the founding documents of the modern British Conservative party. The Gregs enthusiastically campaigned for the 1832 Reform Act which removed the anomaly of under-representation in Parliament of the new urban centers of wealth and population. At a reform meeting in Manchester, Robert Hyde Greg argued that "the elective franchise should be so efficient that members of the House of Commons should be really—not nominally—the representatives of the people."

The Gregs were, however, deeply suspicious of further extension of the franchise. They feared it would lead to the dominance of the collective over the individual in government, endangering the institution of property. Robert Hyde Greg confided his worries to his journal, writing that "poverty causes dependence and is easily bought. No property diminishes respect for property, consequently the security of property becomes compromised. Multitudes are easily carried away by passion and by rumours, however absurd." William Greg openly expressed his fear that the removal of the property qualification for voting would undermine the incentive to acquire property. Greg's friend, William Lecky, expanded on this theme of the danger to the individual from the uncontrolled will of the majority in his book *Democracy and Liberty*.

The political issue that most concerned the Gregs was, however, the promotion of free trade and opposition to the Corn Laws. The Corn Laws had been introduced in 1815 to protect agriculture artificially by inhibiting foreign competition. By closing British markets to foreign agricultural produce the laws also restricted the export markets for British manufactured goods and even encouraged foreign competition. Robert Hyde Greg was a prominent member of the Manchester Chamber of Commerce when it began to argue in favor of free trade in the 1820s. In 1825 he drew up a memorial outlining the benefits of free trade and

began calling for the repeal of the Corn Laws. "Agriculture," Greg declared angrily, "has relied on protection instead of relying as it ought to have done on intelligence, frugality and industry." He emphasized the damaging effects of protection and trade prohibition on industry saying that, "The great point we have to impress upon the minds of our rulers is that trade is merely barter, that it is an exchange of one commodity for another, that we can no more trade with those countries the products of which we refuse to receive than we can trade with those countries which absolutely prohibit the products of this country."

Robert Hyde Greg's active opposition to the Corn Laws brought him into contact with Richard Cobden. Greg claimed, however, that his interest in the issue pre-dated that of Cobden, writing in 1843: "The fact is that no one in Lancashire some years ago thought anything about the Corn Laws except J. B. Smith and myself. Cobden was then unknown; but the second time I saw him was when he came to me, in the company of J. B. Smith, for the purpose of forming an Anti-Corn Law Association." In 1838 the Association was transformed into the nationally organized Anti-Corn Law League. Greg took a prominent role in the League, addressing numerous meetings and raising money. At one meeting in Manchester chaired by Robert Hyde Greg, £60,000 was raised in a few hours. Between 1839 and 1841 Greg served as the Anti-Corn Law League Member of Parliament for Manchester. To a lesser extent, William Greg was also active in the League, opposing the Corn Laws on humanitarian grounds, drawing attention to the effect on the working classes of the artificially high bread prices. The Corn Laws, William Greg declared in 1842, conspired "To keep up the first necessary of life at a famine price." In 1846 the League triumphed and the Corn Laws were abolished, effectively ushering in the era of Victorian free trade.

The significance of the Gregs as a family lies in the fact that they combined the economic and political theory of such philosophers as Adam Smith, Richard Cobden, and Frederic Bastiat with the technical innovations of their time to produce great works of industrial enterprise. It was through men such as the Gregs that the ideas of free trade were applied in practice, and their full consequences for the spreading of prosperity and liberty fell in Britain and across the world. The museum at Styal stands as a memorial to their work. □

Prelude to the Total State

by Nelson Hultberg

The enslavement of man usually begins in the economic sphere.

—EDWARD GIBBON

Capitalism died in 1929, according to the esteemed pundits of our day. Since that fateful year, the prominent intellectuals and politicians of our country have been promoting the welfare state as a “safe, responsible, middle ground between the opposite poles of capitalism and socialism”—the perfect system to preserve freedom, maintain economic stability, and bring about the good life.

Today's chaotic and corrupted America does little to corroborate that notion. What the last 60 years have shown is that the welfare state is not a stable middle ground at all, but a highly unstable mixture of individual freedom and government coercion that is evolving steadily away from freedom toward an all-pervasive statism.

It becomes more obvious each year that what Ludwig von Mises repeatedly declared throughout his extensive writings is true, that there can never be a third way between capitalism and socialism—that is, a third way that does not degenerate into socialism or progress to capitalism. The Herculean task confronting us today is to convince the public, in clear-cut terminology, why this is so. What cogent arguments can we articulate to warn America about the dangers of adopting the policies of welfare statism, and expose as

well its tendency to evolve into some form of tyranny?

The purpose of this essay is to examine three of the primary reasons why unchecked welfarism is only a “prelude to the total state.” These arguments have been expounded in the past by numerous insightful advocates of freedom, but they must be repeated and rearticulated by different minds and voices for new generations of Americans.

Interventions Bring More Interventions

The first reason why the welfare state cannot sustain freedom is the famous Misesian thesis: *Government interventions always breed economic dislocations that “necessitate” more government interventions.*

For example, no government can pay for the extravagances of welfarism solely with taxes, for the productive members of society will tolerate only so much taxation. The politicians in power inevitably turn to the expedient of monetary inflation, and through manipulation of the Federal Reserve System pay for their extravagance.

Here is where the chain reaction of government interventions and dislocations really begins to play havoc, for one cannot inflate the money supply through the Federal Reserve without eventually causing higher prices. If government then tries to prevent prices from rising through price controls, it eliminates profits, slows produc-

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