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PROFIT SHARING IN THE SOUTH METROPOLITAN
GAS COMPANY

1889 - 1920

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In 1889 the South Metropolitan Gas Company set up a profit sharing scheme. This was instituted in the same year as the Gas Workers Union and a concurrent dispute in South Met.'s works. The scheme and its relationship to unionisation need to be explored.

Throughout its history the gas industry had been engaged in a dialogue about its policies on profit and price with both central and local government. Within the London gas industry South Met., under a management dominated by George Livesey after 1871, had an innovatory and often contentious role.

The profit sharing scheme continued and flourished in South Met. and was widely copied throughout the industry. A consultative process was set up which was extended to cover direct elections to the Board by the workforce.

The scheme was used by the Company in such a way as to impose a discipline on the workers which was designed not only to limit their behaviour in the workplace but to incorporate them into the property owning structure and the prevailing value system.

In a wider setting it can be seen as an attempt by a statutory Company to alter its nature within the context of the joint stock system to extend its base so as to meet criticisms concerning the private ownership of a public utility.

This thesis will argue that George Livesey's concern with the conflicts of society as he saw them led him to use the mechanism of the sliding scale, originally concerned with gas pricing, to build what he saw as a partnership between capitalists, customers and workers.

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CONTENTS

- 1 1. INTRODUCTION

- 2 15. BACKGROUND - THE GAS INDUSTRY

- 3 36. SOUTH METROPOLITAN GAS COMPANY LTD. POLITICAL BACKGROUND

- 4 57. SOUTH MET. - INTERNAL POLICIES

- 5 92. UNIONISATION

- 6 108. THE STRIKE OF 1889

- 7 143. THE CO-PARTNERSHIP SCHEME

- 8 183. THE CO-PARTNERSHIP SCHEME - ITS INFLUENCE

- 9 222. CONCLUSION

- 232. BIBLIOGRAPHY

INTRODUCTION

"One Wednesday morning in October 1889, Charles Tanner the head foreman ... said to me 'the stokers are all in the Union and we have lost all authority in the retort houses unless you do something to attach them to the Company we shall be completely in the power of the Union' in a quarter of an hour the scheme was set out ... and the same afternoon it was offered to the workmen. The Union men refused it ... and on December 4th demanded that ... it be abolished ... then the memorable strike₁ began; thus was our Co-partnership born".

Thus George Livesey, at that time Chairman of the South Metropolitan Gas Company, * described events surrounding the gas workers' strike of 1889 and his Company's inauguration of a profit sharing scheme - subsequently known as 'co-partnership'.

South Met. was one of the three private gas companies operating in London in 1889. It had been set up in the late 1820s with an area serving Peckham and Camberwell². By the 1880s it had spread into areas once part of Kent and Surrey. South Met. was innovative, ambitious and influenced by the personality of George Livesey.

* GEORGE LIVESEY 1834-1908. Father; Thomas Livesey, clerk at South Met. from 1842. George Livesey employed by South Met. (as office boy) from 1846. Assistant Manager 1857. Chief Engineer/Company Secretary 1871 (on father's death). Retired to join Board November 1882. Chairman of Board 1883. Directorships in other gas companies.

Numerous patents. President British Association of Gas Engineers 1874. Member Inst. Civil Engineers. Numerous papers to Professional institutes (mainly on gas purification processes and gas holder construction). Involved in foundation of professional bodies leading to Institution of Gas Engineers. Many professional offices. 1882 Birmingham Medal for Services to the Gas Industry.

Evidence to numerous commissions and committees of enquiry concerning gas industry affairs. Member Royal Commission of Labour 1892-94. Member Royal Commission on the Poor Law. Founder member of Band of Hope and President 1906. Vice-President London Municipal Society 1906. Close connections with many temperance organisations. Knighted 1902.

The 'strike' of 1889 followed a series of industrial incidents, including the 'Great Dock Strike' and a number of major disputes in provincial gas works following the inauguration of the Gas Workers Union under the leadership of Will Thorne with country-wide demands for a system of eight hour shifts.

By the use of a massive number of replacement workers South Met. defeated the union and the profit sharing bonus scheme, against which the men had struck, continued. In the following years the scheme flourished and in due course participating workers were allowed to buy shares in the Company and to take part in elections for directors chosen from among themselves. A consultative committee between management and workforce was set up and welfare benefits extended to provide comprehensive care. The scheme ended only with nationalisation in 1947.

The quotation with which this introductory chapter begins comes from an address, written in the year before Livesey's death, and published in the house journal of the South Met. - Co-partnership Journal - and addressed to all 'co-partners'. Entitled 'The Way of Peace' it related labour unrest to the Christian Christmas message which Livesey was writing to the workforce and described the success of South Met's solution to that unrest:

'for the evils of the industrial world - everybody is convinced that there must be a remedy - it has been found in the great principle of co-partnership - the 'co' means equal or full and complete partnership.' 3

'Partnership' was something which George Livesey talked about a lot both before and after 1889. Once he had taken over management of the Company in 1871 he talked freely and publicly about his ideas for management in the gas industry. In 1872 he publicly advocated a system of pricing gas in relation to company profits which became known as 'the sliding scale'. This system, he said, could be further applied to the workforce and gas consumers as a means of promoting partnership between all parties with an interest in gas. During the following seventeen years, in lectures, letters to the press, and so on, he continued to put forward ideas which related to 'partnership'. These ideas, he said, were to combat the increasing problems in society resulting from growing industrialisation.

Because of the profit sharing scheme, and also because of his identification with the anti-trade union movement, historians have taken an increasing interest in Livesey and the 1889 Gas Workers strike.⁴ Interest has, however, usually been focussed on either the strike or the scheme with little or no investigation into either Livesey's past involvement in the field of ideas associated with his scheme or of its detailed workings together with the facts of its success and longevity. Because of this inadequate focus assumptions have been made which distort both the history of the strike period and the importance of the scheme.

Robert Perks, in his article on the Thompson profit sharing scheme (Thompson was a Huddersfield woollean manufacturer) in the 1880s), has suggested that profit sharing schemes of the right sort were more successful than has commonly been supposed. Nevertheless many had remarkably short lives. Successive Board of Trade Reports on Profit Sharing from 1891 onwards published figures which seem to demonstrate this. The South Met. scheme lasted until it was abolished by an Act of Parliament in 1947, (against the wishes of its participants). By the time of the abolition of the South Met. scheme it had been copied in numerous other gas works - the majority of these schemes also were successful. The success rate for profit sharing schemes in the gas industry modelled on that of the South Met. was higher than such schemes in general; breakdown, as Perks says, was not usually directly attributable to breakdown of profit sharing per se. It must be stressed that the industrial action of 1889 in South Met's works was directly related to the profit sharing scheme. The Company had already granted the eight hour day to its retort house workers and was resisting demands for overtime payments in respect of Sunday working. The scheme was introduced together with the condition that participants must sign an agreement which would have the effect of making strike action more difficult. The dispute was called because the company would not withdraw this condition. It was essentially a dispute about union recognition and about the Union's right to organise within the workplace. The Gas Workers' Union saw the scheme as a direct challenge but were unable to argue effectively that their right to organise was more important than the rights of individual workers to determine their own contracts.

The Union was unable to get support from other trade unionists in terms of practical and financial help thus forcing them to abandon the dispute.

Because of this close relationship between the strike and the scheme, historians have generally assumed that the scheme was introduced either to forestall the strike or as a reaction to it. Although the South Met's long history of welfare provision is mentioned, Livesey's own involvement in finding solutions to the industrial problem is not, and discussion has not included the possibility that the fact that the Union existed gave Livesey a chance to introduce a scheme which he had previously been prevented from pursuing through the opposition of Board members.

This premise, highlighting both Livesey's past ideas and the means through which the scheme was implemented, brings into focus its basis in terms of an attempt - if not to change society - to demonstrate possibilities of means of change. Attention has been given to the debate on problems resulting from industrialisation and from the inequitable divisions of material wealth. Gareth Stedman Jones has outlined this debate with reference to the problems of the urban casually employed poor in London.⁶ Gas workers are one of the occupational groups which have been considered to have been drawn from this stratum. It must however be pointed out that at any one works the workforce was drawn from those available to fill places and would differ according to the locality - studies based on the conditions and lives of workers at Beckton does not necessarily apply to men at the Old Kent Road, for instance. The river Thames has always provided an enormous cultural barrier, and before the present river crossing were built Old Kent Road workers would have been cut off from North London influences and may well

have been very different from those at Beckton,

Nevertheless, Stedman-Jones' account of the concern shown in contemporary thought for the London poor must be extended beyond them to other groups defined as 'working class'. He quotes

J.S.Mill:

"thus the whole question of the prospects of the working class came to revolve round the degree in which they can be made rational beings".

Such matters concerned employers and other 'middle class' people anxious to 'improve' those whose prospects they saw as poor, leading to undesirable results. Employer's welfare schemes before 1900 have been largely undocumented - except in the case of a few outstanding philanthropists. Motivations for employers' welfare work remain unclear and are often described, vaguely, as paternalistic without any clear definition of that term. South Met, has a background of such welfare provision before 1889 and the nature of this is crucial to an understanding of the 1889 scheme - it should be examined.

Livesey, and other South Met. directors were not part of an intellectual debate on the future of the working class; they were however influenced by a general debate - through newspapers and the media in general. Such ideas must have influenced them.

Livesey's own ideological background derived through the temperance movement - the Band of Hope, the Lord's Day Observance Society, and

his own involvement in local Church of England affairs and the Sunday School Movement.

Livesey's involvement must be seen against a context of ideas, described by Raymond Williams as:

'an unknown number of the casual constituted a disquieting alien presence in the midst of mid-Victorian plenty'. 7

Livesey believed that the workers among whom he had worked for thirty years were being forced, by increased urbanisation and growing industrialism, into a position of degeneracy.

If this was a belief of men like Livesey then it led them to a conclusion that means must be found whereby the circumstances of working people must be improved - but by 1889 it was clear that other organisations ;- trade unions, socialist societies - were there to claim the workers' allegiance for their own. The challenge then became double edged.

Better paid workers in occupations with status and independence were able to form their own organisations of respectability - Friendly Societies, Building Societies. This process had been outlined by Geoffrey Crossick in his work on the artisan elite in what he describes as Kentish London. 8

Kentish London is an area from which many of South Met's workforce would have been drawn.

Crossick describes how:

"middle class reformers, and liberal politicians pressed upon the working class a particular set of values that we recognise today as peculiarly Victorian - domesticity, industry, thrift and respectability".⁹

Livesey, living and working among workers of South London, could not fail to be aware of aspirations towards security, material comfort, status - as achieved by men like Crossick's artisans - many of whom were employed in the gas industry but outside the retort house.

In the past South Met. and other gas companies, had attempted to help their workers to set up these institutions of mutual benefit - pension funds, sick funds, etc. It can be argued that the profit sharing scheme is in itself merely a more ambitious variety of these and that it consciously became a method of manipulating the workforce into that Victorian mould of 'Christian observance, sobriety, thrift, orderliness and cleanliness'. We must not assume that they were unwilling to be so moulded.

Eric Hobsbawm in his article British Gasworkers¹⁰ comments that co-partnership schemes were in reality 'outbidding the unions'. This auction was not only in terms of financial gain but in terms of philosophy. South Met's scheme could

offer, for those willing to agree to its terms, material gains beyond anything the Union could match. The Union could offer the possibility of higher wages after a fight but with the promise that no strings would be attached in terms of way of life. The strike was essentially about that freedom - although not in those terms - 'freedom' was the term used by both sides.

The scheme of 1889 was relatively simple in comparison to what it later became. By the standards of other schemes it was immensely complex. Historians have not explored those complexities nor attempted to relate its provisions to contemporary problems and projected solutions to them.

The problem was commonly perceived by contemporary critics of the social order as being the dangerous one of a working class sliding to 'pauperism with its attendant vices'¹¹ and likely to turn to institutions posing threats and out of the control of employers - in fact challenging that control.

The South Met. scheme was remarkable for the amount of participation which it involved. Worker directors, consultative committees - although trifling against the measure of a true co-operative - were still an enormous advance on such institutions elsewhere. Why was this done? Energy is crucial in an industrial nation and those who supply it control society to some measure. Gas had been the supreme method of lighting for the past eighty years, it was now through competition from electricity - diversifying into an energy supply for heating and the powering of machinery and into the chemical industry through its by-products.

Throughout the eighty years of its existence the industry had been involved in a dispute with local and central government which concerned control. Whatever the ideology on individual or collective ownership throughout the country there was a gradual and increasing move towards government control in the gas industry. This took the form of increased legislation to control activities in private companies and at the same time involved a discussion on ownership of public utilities which resulted in various forms of alternative ownership. By the 1880s that had resulted in a move to increasing numbers of municipal works - either newly established or taken over.

Livesey's continued talk of 'partnership' and the drift of the whole scheme towards participation must be seen in the light of these events. London was almost the last major city where municipal control of the gas industry had not been seriously attempted - in 1889 the formation of the London County Council, among whose members were those dedicated to that end, posed an immediate threat.

'Socialism' for the gas industry in 1889 was not just a vague threat of a new and dangerous creed to which underprivileged workers might adhere - it was an immediate danger threatening the very ownership and control of the industry. This threat came from two sources - local government and the newly formed union. The two united could easily prevail.

The battle then for workers' hearts and minds was even more urgent.

Helen Lynd has described in England in the Eighteen-Eighties that time as:

'a period ... when changes in thought and social attitudes become suddenly apparent'

and that:

'an ideology half a century old yielded to a new phrasing of social problems and an effort to find new paths to their solutions'.

12

Such an effort was made in South Met. Problems apparent throughout the 1880s had come to a head in 1889 - the growing pressure for change in local government had been resolved into the London County Council, the growing pressure from the workforce had been resolved into the Gas Workers Union - both posing a threat to the Company. At the same time profit sharing schemes had become newly fashionable - it was in 1889 that an International Congress defined the features of a bona fide scheme and gave its blessing to those that conformed.

As society changed, and new pressures and aspirations were heard from the workforce; so too was the industry changing. New customers - new competitors - a new organisation must meet the challenge.

This movement and George Livesey must be seen together - the two cannot be separated. Livesey dominated not only South Met, but in many ways the whole industry for forty years. It is important to remember that he was a professional gas engineer and an administrator and not a politician or a financier. His background was relatively unpretentious and what he was interested in was making the gas industry more efficient. The result was that his solution to the problems of society as he perceived them was individualistic and idiosyncratic.

He was not the only person to find his solution in profit sharing and indeed many such solutions were those of highly eccentric individuals. Pollard, in his article on the scheme set up by Taylor of Batley, comments:

'among the many generalisations perhaps the only one that can be made safely is that virtually every scheme that saw the light of day had very marked special features and/or depended on ¹³the convictions of one very strong personality'.

Livesey's influence, as we shall see, spread beyond South Met. to inspire schemes in other gas companies. None were so successful or as far reaching as South Met's own scheme.

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NOTES TO INTRODUCTORY CHAPTER

1. George Livesey in Co-partnership Journal (South Met. Gas Co.) January 1908.
2. It is difficult to define a 'London' gas company - London boundaries have obviously changed with successive London Government Acts. Beckton, for example, although generally regarded as a 'London' works but not actually part of London until 1964! I have taken London works to mean those which are generally referred to as such in contemporary works.

The early history of the South Met. is obscure. The Company minute books do not record the first years. The official Company history 'A Century of Gas in South London'. (South Met. Gas Co. 1922) says very little. Co-partnership Journal contains several articles, some speculative, written by Company employees about the Company's early years.

3. George Livesey. Co-partnership Journal January 1908.
4. References to the South Met. scheme have generally been contained in articles in various learned journals. Principally: Joseph Melling in 'Industrial Strife and Business Welfare Philosophy; the case of the South Metropolitan Gas Company from the 1880s to the War.' (Business History XXI No.2 July 1979) is concerned with South Met, from the viewpoint of the history of business welfareism.

Other references will be found in the text - Melling is the only historian to have examined South Met. in any detail.

5. R. Perks Real Profit Sharing: William Thompson of Huddersfield, 1886-1925. (Business History, XXIV July 1982).
6. Gareth Stedman Jones. Outcast London Oxford 1971 pp 1 - 16.
7. Raymond Williams in the Foreward to Charles Booth's London London 1969. pp 15-43.
8. Geoffrey Crossick. An Artisan Elite in Victorian Society Croom Helm. London 1978. p. 153
9. ibid.
10. Eric Hobsbawm. Essays in Labour History Wiedenfield and Nicholson. London 1964.

11. Gareth Stedman-Jones op cit.
12. Helen Lynd. England in the Eighteen-Eighties
Oxford University Press 1945.
13. S. Pollard and R. Turner Profit Sharing and
Autocracy: J.T. & J.Taylor of Batley 1892 - 1966.
(Business History XVIII 1 1976).

BACKGROUND - THE GAS INDUSTRY

The Co-partnership scheme set up in the South Metropolitan Gas Company in 1889 must be examined against the background of the industry from which it came and in particular the history of that industry in London.¹

The London Gas Industry was the first set up and in London gas was first exploited for commercial gain through sales to the public. It was in the forefront of the industry's involvement in the political processes concerning gas supply partly because of its nearness to the seat of central government and partly because of peculiarities in London local government. In discovering what the pre-occupations of the industry were in London and how they were perceived it will also be possible to see the roots of co-partnership.

The initial profit sharing scheme which the Company set up in 1889 linked bonus directly to price. Gas prices, as will be described, were governed by a mechanism linking them to profits and known as the 'sliding scale'. This system of price and dividend regulation was controlled by statute and linked the two so that as one fell the other

was allowed to rise. In the initial bonus system wages too are tied to the price of gas and the bonus rises and falls according to price fluctuations in exactly the same way as was required of dividends. This factor is the single most important feature of the scheme without an understanding of which the scheme itself can only be perceived as banal.

It is immediately apparent that by this mechanism an incentive is built in for the workforce to reduce price through efficient working. These two features had been the pre-occupation of South Met. management throughout the Company's existence. Control of price and efficiency of working were not however always in the forefront of 'other companies' ideas .

Throughout the middle years of the nineteenth century a pre-occupation for both politicians and public utility companies had been the relationship of price and efficiency to management, control and ultimately to the ownership of the companies. If some companies were more concerned with making high profits the action of consumer pressure groups would bring this to the attention of government bodies. These issues concerned the relationship of the companies to central and local government. It is possible that those who initiated and became apologists for such schemes as the South Met's co-partnership would have argued that the scheme also attempted to provide a solution to the problems posed by those who argued for greater public participation in the control of public utilities.

'Public' concern in the early days of gas manufacture had concentrated around safety and subsequently efficiency of supply. This turned eventually to questions of ownership. Solutions were posed concerning the ownership of companies with a view to making shareholders more accountable to the public to whom gas was sold. By the end of the century public ownership had been increasingly used as a solution. But a situation which had been largely resolved in the provinces was still a matter for discussion in London in 1889.

From their earliest days the companies which manufactured gas were bound to the local authorities, their most important customers. Local Authorities were given the power to levy a rate for the purpose of street lighting in 1736 and were obliged then to use oil lamps as the main available source of light. Gas Lighting in the 1820s could provide an immediate and effective alternative.

The supply of gas for lighting became a field for those who were more interested in making money quickly than in providing a service to the public and it has been suggested that some companies had origins of a doubtful nature. ²

The first company in London - indeed in Britain - was the Chartered, later known as the Gas Light and Coke Company. In 1810 this Company obtained a statute, in the same way that canal companies were doing, and obtained a remit to

light not only London but the whole of Britain. It found its customers in the Vestrymen of City wards anxious to improve street lighting. As methods of gas manufacture were invented so customers were found and supplied. The Company was lucky enough to recruit Samuel Clegg³ whose influence in the processes of gas manufacture were such that in 1877 George Livesey was able to describe the gas industry then as 'much as Clegg left it'.⁴

These early days of gas manufacture did not remain unregulated for long. It took only the first few hints of smells and explosions for public concern to manifest itself about the manufacture of such a dangerous substance in city centres. By the early 1820s governments were starting to find methods of regulation in the public interest. Companies needing new statutory powers were required to fulfill conditions imposed on them by the authorities in return.

Other companies quickly began to go into business. Governments imposed conditions on them in return for powers to behave as statutory authorities. There was a belief that beyond this Companies should be left to pursue their own methods in a competitive market and that in this way they were likely to serve the public more efficiently. It was, however, increasingly acknowledged that some degree of control was necessary.

An example of this control by government policy was in the area of exclusive supply known as 'districting agreements'.

Companies who could persuade others to limit their activities to one geographical area could enjoy the advantages of a monopoly. By the mid-1850s voluntary agreements of this nature had been entered into by most companies. In his evidence to the 1899 Select Committee on Metropolitan Gas Companies George Livesey said :

'most of the companies in those days; prior to the districting of the 1850s were in a more or less unsatisfactory condition'.

Without districting agreements rival companies supplied customers in the same areas leading to the necessity for mile after mile of duplicate mains - with attendant holes in the road together with leaks and damaged mains. Some companies encouraged employees to connect their own customers to other companies' mains, or damage their mains in some way - and in at least one case pitched battles between rival gangs of navvies ensued.

Governments which wanted to encourage free competition must discourage the monopoly position created by districting agreements between companies but must then accept the attendant disruption engendered by free competition.

At the same time Companies could only operate in a free market if forced to by government controls.

Government was therefore faced with the necessity of some sort of intervention. By the mid-1850s districting agreements were embodied in statutes.

One response to this problem was to challenge the ownership of companies. Gas sales were largely made to local authorities for street lighting and it was argued that a service paid for mainly by public authorities should not be dedicated entirely to private profit.

A solution was attempted in the setting up of 'consumer' groups which proposed a different form of ownership. At first proposals were put forward for 'consumer' ownership of the mains and this was followed by the setting up of special 'consumer' companies. These differed very little from the ordinary statutory private company but they pledged themselves to act for the consumers who would be their shareholders. They guaranteed a fixed low price. Through their company meetings shareholders would ensure that the pricing policy was adhered to. Consumer companies were set up in many parts of the country - two in the metropolitan area. In South London the Surrey Consumers Gas Light and Coke Company was set up with a works in Rotherhithe to challenge the two main South London Companies - The Phoenix covering Southwark, Deptford and Greenwich and the very much smaller South Met. covering Peckham and Camberwell.

In South London - as elsewhere - prices fell very quickly following the establishment of the consumer company and as the established companies lowered their prices to meet the competition. However, once established prices were lower

customers tended to stay with their original company and the consumer company was unable to gain enough customers to remain economic , and thus could not maintain its low prices. Very soon negotiations with the established companies had been opened for exclusive powers of supply and the consumer companies had in effect become no different from the existing commercial concerns they had been designed to replace.

The principle of consumer companies was that ownership should be vested in those who used the services provided. The establishment of this principle was to affect subsequent political development in the formation of gas companies.

As the same time as consumer companies were being founded Commissioners into local gas acts were recommending local ownership. Malcolm Faulkus quotes the Commissioners enquiring into the bill for a company at Ashton-under-Lyme in 1846 as recommending that shareholders should be local people.⁶

As consumer companies began to demonstrate that such enterprises were no different from the ordinary companies so local authorities and consumer groups began to look to the ownership of local works as a solution and when statutes were granted to companies they began to include clauses which allowed for possible future acquisition by the local authority.

These acquisitions were not sought in any spirit of ideological belief in public services being publicly owned but rather from a desire to limit the amount of money paid from the rates to a private company. In the same way cheaper gas would reduce the costs to ratepayers and to local businesses - public houses, places of public entertainment - who were also likely to be gas consumers.

Some municipalities in the late 1870s tried to demonstrate that a supply of free gas from the municipal gas works was a better and cheaper way to supply both customer and ratepayer.⁷ Municipalisation of existing works and the erection of new ones by local authorities proceeded outside London. Before 1872 local authorities had to acquire a private act in order to do this but following the Municipal Boroughs Funds Act in that year a statute was not necessary and municipalisation increased. Silverthorne (1881) lists sixty towns where gas works were municipally owned.

In London companies remained in private hands. The failure to municipalise in London has been seen as the result of divisions in local government. Chatterton remarks on complications of this kind being made worse through the absence of a strong local authority.⁸

While control of lighting lay with a multiplicity of vestries; central authority was represented only after 1855 and then only by the Metropolitan Board of Works with fairly limited powers. At the same time the City Corporation remained independent and united action could not take place without the consent of all parties. Chatterton has also suggested that some of the gas companies were among the bodies opposing the setting up of a strong central London local authority. ⁹

By the late 1850s informal agreements on areas of supply had been established to cover most of London - and these were ratified by Government in the 1860s. Problems of gas pricing and the right of companies to make profits from the public purse occupied politicians, interested in gas matters, through the succeeding years. While local authorities outside London pressed for municipal ownership, in London a solution was looked for whereby the public interest might be reconciled with those of private companies.

In 1899 Harry Haward, then Comptroller of the London County Council explained policy criteria to the Select Committee into Metropolitan Gas Companies :-

'legislation in 1860 proceeded on the ideas that companies should have 'a reasonable prospect of attaining from time to time with due care and management the maximum dividend'.

United action between the City and the Metropolitan Board of Works did take place and throughout the 1860s bills were submitted and various enquiries held into the working of the metropolitan gas companies. In 1874 the two authorities submitted three bills:-

'the first bill was for the purchase of the companies, the second bill was for the establishment of a competing supply - and the third was for a regulation bill'.

11

The first two bills were eventually dropped and the situation resolved in another series of measures designed to regulate gas prices and to ensure some sort of efficiency in working. The situation in London had thus become a bargaining process whereby companies used their influence to oppose attacks on their independence by local authorities representing consumer interests. Mediation took place through the Board of Trade.

In the mid-1870s a partial solution was found: some gas company statutes, outside London, had included clauses whereby prices and profits were automatically linked. This type of system would avoid the necessity for government control and yet seek to placate the local authorities because prices would be limited. At the Select Committee into Metropolitan Gas Companies of 1875¹² officials from the Board of Trade produced George Livesey to give evidence in favour of what was known as the 'sliding scale'.

Livesey was at that time an employee of the South Met. Co. and his appearance was against the policy of his employers. Although he protested that he had spoken 'under Speaker's Orders' that is he had been required to come - some parties called for his dismissal.

In his evidence to the Committee Livesey said:

'It should be possible to form a scheme for embodying in a general act, that should make the consumers in a sense partners in the gas company, whereby both should participate in any improved or more economic working'.

'Partnership' was a recurrent theme of Livesey's, one on which he had already spoken publicly in the context of gas management, and one on which he was to enlarge greatly once the oo-partnership scheme had been set up. In this context it relates entirely to the sliding scale.

It is almost impossible to underestimate the importance of the sliding scale both as a partial solution to the problems of the gas industry in London at that period but also in the context as a recurrent theme of Livesey's. It became a touchstone to which he could return and refer back as the basis on which the whole edifice of his scheme was built.

The sliding scale in the gas industry in the 1870s had no

relation to sliding scales in other industries - except in so far as it was an automatic system which tied profit to price. The problem was to separate control over these elements from Government control. In 1875 a letter had been sent from the Board of Trade to the Chairman of the Select Committee on the Metropolitan Gas Companies, which outlined several important points of principle.

'it would seem a priori at least doubtful whether any Government Department or official commissioners ... can succeed in dictating to a trading company the terms and conditions of manufacture on which they can make the greatest amount of profit' 14

Any scheme devised should be independent of Government and yet able to guarantee responsibility in terms of price and efficiency while satisfying the need for the incentive of profit. The sliding scale was seen as a solution to this problem. It was automatic once a base line had been set by the Government, to provide an incentive to lower prices while efficiency in working grew. To quote Livesey again in 1899:

'if it be distinctly in the interests of the company to serve the customer then the customer will be served' 15

This suggestion from Livesey provoked a great deal of hostility from the existing gas companies - including South Met. Nevertheless it was adopted and gradually incorporated into new statutes as companies applied for them and it became working practice.

During this period and the succeeding decade it came to be believed that more efficient working could be achieved by fewer but larger companies. To this end both Government and companies began to promote schemes of amalgamation between companies and by the early 1880s London's nine gas companies had been reduced to three. As part of this movement Gas Light and Coke Co. - which was by now very large having subsumed most of the other companies north of the Thames - had in the early 1872 built the giant Beckton works as a central supply point for much of their area.

Eventually a scheme was set up aiming to unite both north and south London and this would have gone ahead had it not been prevented by the Board of Trade in response to pressure from Local Authorities who did not want the independence of South Met. altered. South Met. now controlled the area south of the river, following amalgamations with Phoenix, Surrey Consumers and two small companies in Woolwich. Efficiencies of scale had not always followed amalgamations and South Met's low prices and reputation for high quality had not been copied in north London. Gas Light & Coke Co. were now obliged under their statute to set their prices by the standard of South Met's current charges. South Met. had no such measure to set themselves by and were thus assumed by Government to be achieving prices as low as could possibly be set.

Despite this Local Authority support for South Met. both City and Metropolitan Board of Works continued to consider the basis of a publicly controlled supply of gas. Government too did not consider this impossible. Livesey (in 1899) quoted Mr. Farrier of the Board of Trade speaking in 1876:

'the day will come when the gas companies will be bought up by the municipal authorities. I am not going to sanction any further increase in capital... I will do what I can to prevent the public ... when they buy them up to pay an inflated price ... for those premiums that have gone into the pockets of the shareholders.'

16

Thus civil servants could see part of their brief as the safeguarding of the public purse in the event of future political action. That action was anticipated: it never happened. In a minute of the Metropolitan Board of Works, J. Beal the later Progressive Member for Fulham in the first session of the LCC, is reported as having postulated purchase of the existing Metropolitan Gas Companies as a source of indirect taxation and an anonymous pamphlet of 1878¹⁸ echoes this fourteen years later - gas works profits could be used to subsidise other public services and keep rates down.

A less pragmatic and more moral stand was sometimes adopted elsewhere. E. Dresser-Rogers is quoted in an address to the gas companies of the City of London in 1864 as having said that 'a monopoly to supply the public with an article of necessity should belong to the public' ; these ideas found

expression in 1876 in J.B.Firth's Municipal London which devotes a chapter to the moral necessity for public ownership of gas and paints the vision of a city such as London entirely directed in the public interest. This range of ideas were eventually taken up by in the 1880s by various progressive groups; among them the Fabians and eventual expression was found in the early days of the London County Council.

The London County Council as the first strong and united Local Authority in London first took office in 1889 and striking gas workers in that year were quick to point out to Livesey that:

'this company will be transferred to the County Council for the benefit of London'. ²¹

One of the first actions of the LCC in March 1889 was for Councillor Beal to call for an officers' report on the practicalities of municipalisation of London's gas and water supplies.²² It was however felt that the case for gas municipalisation was 'weak' and that part of the report was not proceeded with. The cause of municipalisation of gas by LCC was seen as one of the calls from the 'left' - John Burns mentioned it regularly and described the London industry as 'moribund'. ²³

Public ownership was however in this period seen merely in municipal terms - ownership by national government was not considered. While local authorities discussed the means by which companies could be brought to act in a way responsible enough to reflect public interest private companies took on what means they could to protect themselves.

The London gas companies behaved in ways which would have been expected of them - they opposed bills put forward to regulate them and tried to prevent public ownership being seen as a solution. Companies gave money to political groups which were opposed to public ownership. For example in 1899 the South Suburban Company, of which Livesey was Chairman, gave donations to the Liberty and Property Defence League.

Most companies would not admit that there was a problem in that they supplied gas and that their shareholders made profits. Others, like George Livesey, saw that some companies did not behave in the public interest and that public money should be returned to the public and not merely service shareholders investments.

In the LCC the identification of the gas ownership question with the 'left' meant that those workers who called for changes in the workplace could also be those workers who voted for politicians who called for gas to be municipalised. Through the unions these politicians could be financed - or unionists could become politicians themselves.

In 1889 Livesey was involved in alternative forms of worker's politics - he was helping to set up 'The Workmen's Association for the Defence of British Industry' - as an attempt to find channels which would support the defence of capital.²⁴

This brief description of the political background to the gas industry in the nineteenth century must be extended by an explanation of some technical changes. In the 1880s gas was becoming more widely used by ordinary people as a means of cooking and lighting. Prepayment meters were introduced, in London by South Met. Companies - again like South Met. - were anxious to extend their sales to working class customers and arrangements were made to install free appliances and to make special arrangements for lodgers.

It is significant that South Met. in the early 1900s was responsible for changes in the calorific value of the gas it sold in order to make it more suitable as a heating and cooking medium - rather than lighting. Other promotions in this field led to exhibitions of gas appliances - like the one at Crystal Palace in the early 1880s - and demonstrations of gas for cookery, and the opening of gas showrooms.

Men, like Livesey, who were managers in the industry in this period were anxious to be seen as professionals. They saw a difference between themselves and those who manufactured appliances. This difference eventually led to the breakdown

of the professional institute. They were anxious to be seen as professional men in the public service with technical rather than business expertise.

Competition was being experienced from the electricity industry. For many years gas had been diversifying into by-products. Coke sales were an important part of any company's economy and these were being joined by numerous chemical products. The gas industry in the last decades of the nineteenth century and the first of the twentieth put up a tremendous fight against electric competition for the lighting contracts. The pace of innovation and invention of gadgets and devices that would rival electricity was enormous.

The gas industry was changing. One company was outstanding in its attempts to meet that change. That company was

South Met. We must look closer at this modest London company which made such efforts to meet both technical and political challenges, and attempted to involve its workforce to identify with it in these challenges.

NOTES TO BACKGROUND - THE GAS INDUSTRY

1. In this chapter the long and complicated story of the gas industry in London has necessarily been reduced to a few pages. It has been distilled from the very few books written on the subject. My main sources have been:

Rostron, Laurence, W.S. - Powers of Charge of the Metropolitan Gas Companies . A history of the question of price in London from the introduction of gas lighting to the year 1899. Second edition revised and continued by F.J.Wrottesley. Ernest Benn London 1927.

Rostron was a South Met. Director and eventually a member of the LCC in the Municipal Reform interest. The book is entirely concerned with the effects of government action on the changing price of gas - and is an apology for South Met.

W.J.Liberty - The History of Gas Lighting. 1921 The Author.
Liberty was a South Met. employee.

Chandler, Dean - Outline of the History of Lighting by Gas. London 1936.

Chandler was a South Met. employee.

Report of the Select Committee on the Metropol.
1875.

Minutes of the Evidence taken before the Committee on the Gas Companies (Metropolis)Bill. 1860.

Report from the Select Committee on the Gas (Metropolis) Bill 1860

Report from the Select Committee on the Metropolitan Gas Companies 1899. Minutes and evidence. 1899.

(The report of the 1899 Committee had been much quoted in succeeding histories of the gas industry - and in particular Livesey's evidence to it. This evidence was later described by Harry Haward, after his retirement from the LCC in his memoirs The London County Council from Within as 'all sweet reasonableness'. Evidence to Select Committees is necessarily biased and I have tried to balance Livesey with Haward whenever possible. I note however the predominance in the history of the industry of books written by South Met, employees and suspect that much of it too is seen through Livesey's eyes).

Everard, Stirling. The History of the Gas Light and Coke Co. 1812-1949 Ernest Benn. London 1949.

D.A.Chatterton, State Control of the Public Utilities in the Nineteenth Century: the London Gas Industry. Business History Vol XIV No.2. July 1972.

M.E.Faulkus, The British Gas Industry before 1850. Economic History Review. XX Second Series 1967

2. by Everard op cit.
3. Samuel Clegg : 1781-1861. Clegg was the predominant figure in early gas manufacture. (see Standard Biography, etc.)
4. Journal of Gas Lighting 28th August 1877
5. 1899 Select Committee op cit. Livesey's evidence. pp 89
6. Faulkus op.cit.
7. Arthur Silverthorne. The Purchase of Gas and Water Works. with the latest statistics of Metropolitan Gas and Water Supply. Crosby Lockwood & Co. London 1881.
8. Chatterton op.cit.
9. ibid
10. 1899 Select Committee. Haward's evidence. op cit. pp 11
11. ibid. pp 13
12. ibid pp 14
13. ibid Livesey's evidence. pp 98
14. ibid. Letter from Board of Trade pp 98
15. ibid Livesey's evidence pp 98
16. ibid pp 99
17. Minutes Metropolitan Board of Works 28th September 1864.
18. Pamphlet in the possession of Institution of Gas Engineers.1878. anon.
19. Quoted in J.B.Frith. Municipal London, or London Government as it is and London under a municipal council. Longmans & Co. London 1876.
20. ibid.
21. Labour Elector 30th November 1889
22. LCC Minutes. Journal of Gas Lighting 5th March 1889.
23. Journal of Gas Lighting 8th November 1892.

24. Director's Minutes. South Suburban Gas Co. 3rd March 1899.

25. South London Press 6th July 1889.

26. 1899 Select Committee Livesey's evidence. pp 99

SOUTH METROPOLITAN GAS COMPANY LTD.
POLITICAL BACKGROUND

The profit sharing scheme which South Met. inaugurated in 1889 was only one of a series of remarkable events in which the company had been involved since the early 1860s when George Livesey had first become sole manager. Before this time the company had pursued a line - unique in London - in which can be seen the roots of those policies with which Livesey became identified. This line was however pursued without attendant publicity.

Under Livesey South Met.'s role was directly concerned with the gas industry's relationship with central and local government. From the Company's earliest years it can be seen to have had a direct concern and a commitment to public responsibility- in addition to its commitment

dividends and profits for its shareholders. Even before George Livesey had become an important employee of the Company, it was trying to adjust its role so as to answer criticism from 'consumers' and to do so without government intervention - by means of voluntary action.

It can be argued that the profit sharing scheme of 1889 and its extension into co-partnership are merely further stages in this policy of a continuous adjustment to satisfy what appeared to be public demand. South Met. was indeed remarkable for the continuity of its policies in this way. In the 1880s George Livesey was able to put forward ideas and policies which met contemporary criticisms which were in fact the results of policy decisions taken in the 1840s as a way to meet public criticisms. However flamboyant George Livesey's approach might be, he can be seen in essence to be following policies laid down fifty years before by his father and the Board of the late 1840s and 1850s.

George Livesey's father, Thomas, went to work for South Met. as their clerk in 1839. The Company had had a fairly unstable history to that time. It had been founded to oppose the Phoenix Company in the late 1820s, primarily to supply cannel gas*.

* gas made with a coal of a different quality - giving a clearer light - but more expensive.

The works was built on the very edge of South London, on the banks of the Surrey Canal between Peckham and Deptford. The early minute books, in so far as they exist, are filled with scandals and disputes - the first Managing Director being later described as a 'questionable character'.¹ In 1836 the works was partly destroyed by a major explosion in the course of a dispute on patent rights with the Engineer.

The Board was reconstituted in 1839 under the Chairmanship of Alderman Farncombe, a prominent City figure, wharfinger and future Lord Mayor. From that time the Board was dominated by a few families, generations succeeding to Board places through the years. In the 1880s the major shareholder was Richard Foster, whose family had occupied Board positions since the start of the Company. Foster himself had held shares since the 1820s and although never accepting Board membership can be seen throughout Livesey's tenure of successive offices to champion his actions, however controversial, against Board decisions .

The Company minute books abound in instances in which a Board decision against Livesey would be answered by a letter from Foster, backing Livesey's actions.

There was another important element of Company policy - a strong body of Christian belief among some members of the Board. At management level this was shared by Thomas Livesey and led the Company from the early 1850s to promote an active welfare policy among the workforce.

The roots of copartnership lie in both these policies. In maintaining the welfare of employees, and so buying their co-operation, efficiency could be maintained, and price kept down - the safety of the capital could be guaranteed.

By helping the workforce materially they could be morally influenced. It was hoped that this moral influence would persuade them away from forces outside the Company. 'Loyalty' was to be at a premium - loyalty to the idea of the Company as a good and giving body. If the industry's existence was to be threatened then the workforce must be enlisted as supporters lest they should ally with the Company's enemies and undermine it.

Initially public criticism was pre-empted by keeping prices down. This policy had evolved between 1842 and 1871 in the Company and had been aided by a policy of keeping issued capital low. and by financing capital investment from the surplus. By initially paying low dividends on issued capital, profit could be re-invested in works and maintenance; as profits rose there was

less capital to service through dividends and therefore more money to re-invest. A company with high profits and low capital could afford to lower prices and still maintain quality.

Thomas Livesey had come to South Met. from a clerkship with the Gas Light and Coke Co. He was not a technician but an administrator and the nephew of another Thomas Livesey who had been responsible for the formation of administration at Gas Light & Coke Co. in its earliest years. George's uncle William, was a Parliamentary agent working for gas companies and an expert in gas legislation. George Livesey had powerful influences and a background of great expertise in gas affairs on which to build.

Thomas Livesey and his family lived in a cottage alongside the works in the 1840s and he worked at all times under the direction of the Board which never gave him the freedom that it was eventually obliged to give his son. Once he had established his position in office he was greatly trusted by the Board who praised his work frequently. He was employed in an administrative position and initially the Board had some doubt that he could handle the affairs of a works so small that its Administrator must necessarily deal with the day to day technical management. He was the only management level officer of the Company, and as George grew up he began to take over the technical management from his father .

In 1839 the Company had £80,000 invested in what was now a mainly useless works. Until 1849 a dividend of less than 2% was paid but in reality a profit of 10% had been made since 1842 and this balance was re-invested in equipment. In 1856 the statement of the Chairman that 'it is in the best interests of the concern to keep capital down and therefore to use it to extend the works'² had already been implemented and was continuing. As late as the 1880s George Livesey could boast that the building of the massive new works at East Greenwich had been entirely financed from running profits.³

As consumer agitation grew in the South Met. area throughout the 1840s and 50s the Board began to reduce prices to pre-empt local authority criticisms. In 1860 the Chairman stated at a Company meeting that:

'in order to satisfy the people we have reduced the price of our gas 4d. per 1,000 - we are not compelled to reduce the price.'

The Company began to enjoy a remarkable reputation with the local authorities whose areas it served. It had been founded to compete with the Phoenix Company and the Surrey Consumers Company had been formed to compete with both of them. Its prices were lower than either.

In 1850 the Camberwell Vestry could say that they were:

*'quite happy with the South Met. - they had never
heard a single complaint'. 5*

and in 1875 a petition from Camberwell to the Metropolitan Board of Works said in part:

*'this parish is supplied with gas by the South Met.
which by reason of its small capital and good
management has been for many years enabled to
supply to its customers 14 candle gas at 3/1d.
per cubic foot ... your honourable board will
take such steps as are necessary to maintain
the privilege now derived from being supplied
by the South Met.' 6*

Gas industry historians do not mention such praises being given to other companies in London and in the 1880s Camberwell was to lead a deputation protesting against the companies' own scheme of amalgamation into one London company - protest was taken to the Board Trade on the grounds that South Met, must not be contaminated by those other Companies whose prices were not all the local authorities desired.

It had been said of Thomas Livesey that his ambition was to 'take the lead'.⁷ This lead was defined by George Livesey in 1875 as:

*'the lead of the London Gas Companies as to price -
the lower the price the more secure the property
and the investment'. 8*

This revealing statement shows another aspect of George Livesey's ideas for the South Met. as much as for co-partnership. South Met., in his view, was to be the best company - top of the gas companies in London and elsewhere. South Met. was to show the way as to how gas companies should be run and it was to be better than any of the others. In the 1850s the threat could be from consumer groups and other companies, in the 1880s it was from the unions, the ambition was in meeting the challenges presented. In 1839 South Met. was small and failing, it was the ambitions of the Liveseys, father and son, which took to pre-eminence almost to world terms by 1900.

'Consumer' agitation in Southwark in the 1850s was led by John Thwaites, later Chairman of the Metropolitan Board of Works. George Livesey in later years described how as a teenager he had attended meetings agitating for change:

'I remember quite as a youngster attending a public meeting and hearing Sir John Thwaites speak if the companies had been reasonable and reduced [the price of gas] it by 1s. to 5s. I think it would have stopped the agitation'. 9

So some of Livesey's earliest political impressions concerned these meetings which called for changes in gas company policy in the public interest. The meetings were lively ones and an early Journal of Gas Lighting published a letter, mysteriously from 'Live and Let Live' which gives some of their flavour:

the meeting was 'numerous and uproarious'; one was 'ejected by a policeman', and the conclusion that 'a little knowledge and much assertion (usually combined) are very dangerous things!. People had produced pamphlets - 'What's Up!' ... 'What a Lark!' ... 'What's the Price?' - all good stuff for a teenage boy to take to heart.¹⁰

Following the agitation in South London the Surrey Consumers Company had been founded in Rotherhithe and soon after acquired the works of the old Deptford Company. The Boards of both South Met. and Phoenix Companies responded with lower prices and soon Surrey Consumers were finding their guaranteed low prices difficult to maintain. Livesey quoted John Thwaites 'I see competition is a failure'¹¹ and soon districting agreements had been informally finalised in South London.

In 1848 George Livesey became an employee of the Company as 'the boy' and during this period the Company's policy on pricing was hardening. Price reductions were announced at this time. Livesey once in control maintained the policy of price reductions until in the 1880s it was recognised by Governments.

South Met. was not only proud of its pricing policy but of its 'efficiency' and technical innovation. Such innovation had probably been responsible for the 1836 explosion but Thomas Livesey introduced ideas which had been tested elsewhere and innovations which were basically administrative uses of technology - he built gasholders

by direct labour, introduced canvassing for customers, and began to re-use fireclay retorts. George Livesey as his father's assistant acted as Engineer in the works and soon began to acquire a string of patents. Working with a local firm of chemists, Hills of Deptford, he began a long series of experiments to perfect a new method of purifying gas. This method ultimately failed but in the process he gave several technical papers to the professional institute and made his name as an engineer.

It was in the field of gasholder construction that George Livesey further made his name - and in this way showed a grasp of administrative application to technology which meant that it was used to its best advantage. South Met. began to build bigger and bigger gas holders culminating in the 1880s in the giant gasholders still to be seen at East Greenwich. Livesey explained that such holders are more economical because by storing gas in giant amounts in the air the amount of expensive land used was reduced. In the same way gasholders could be used to store gas over the weekend and thus cut down on Sunday working with all its difficulties.

Journal of Gas Lighting was rather cynical about Livesey's technical prowess:

'the paper contains several declarations of principle and a scarcity of theoretical knowledge'.

12

but it was this ability to grasp the wider problems of manufacture which made South Met the premier company that it became under the Liveseys.

In evidence to various Commissions of Enquiry, and Select Committees, George Livesey was at pains to explain the financial reasons for many of his Company's actions. Always clear, they are a vivid illustration of the administrative means and the thought that went into South Met.'s policies.

Policies formulated in the 1850s were designed with an eye to the future. A vivid illustration of this is in districting policy. By the late 1850s South London gas companies were moving to divide areas of supply between them and a manager level conference was called to negotiate this. Thomas Livesey was reported as having fought street by street for as large a suburban area as possible.

This was a big factor in making the Company so successful in the 1880s and 1890s. The massive increase in housing in South London meant that sales of gas rose dramatically. At the same time the expensive investment in mains had already been made and new customers could be connected quickly and efficiently. Profit could be quickly maximised. It was the foresight of Thomas Livesey and the South Met.'s Chairman which had laid the groundwork for this enormous expansion. The Chairman in the 1850s was yet another member of the Foster family.

In the 1850s the Board were not themselves local men - while some may have had country homes in South London they were mostly from the City and none of them had addresses in South East London - Peckham or Camberwell. The Livesey's did however become identified with the area which the works supplied.

Thomas Livesey, once he had moved to South London, never moved out. From the cottage at the works he moved to Consort Road in Peckham and from there to Dulwich. He served as a member of Camberwell Vestry; was a local churchwarden and a supporter of local schools.

George lived in Peckham and in Denmark Hill but, at his official retirement, moved to Reigate. He continued with his father's tradition of local involvement and good works - he supported local churches and temperance organisations and in 1889 gave a library to Camberwell vestry. Sited opposite the Old Kent Road works this was naturally well stocked with works on gas technology but it was as a point of principle to be a free library for the working classes of Camberwell, who, Livesey thought, has 'strong claims on a library'.¹⁴

The Livesey family claimed to know and understand South London and part of what George Livesey said when he put forward arguments in favour of co-partnership was that he knew and understood the men who worked for South Met; that he understood their culture and environment .

Thomas Livesey deferred to the Board and followed their instructions in every way. When he was offered a Directorship of the neighbouring Crystal Palace Company he turned it down on the Board's instructions. It was said of George Livesey that this incident determined him not to be so directed by the Board. When his father was told not to become a Crystal

Palace Company director, George Livesey immediately began to hope for a directorship of that Company for himself - which in due course he was offered and accepted. In George Livesey's early years as manager of South Met. at Old Kent Road he frequently quarrelled with the Board on policy matters and carried on the battle until he won. Inevitably these in these confrontations he was backed by Richard Foster.

Livesey's first public dispute with the Board concerned his evidence, against South Met.'s policy, to the Select Committee of 1875 on the subject of the sliding scale. Livesey claimed that he had been forced to give this evidence by the Board of Trade. It was the policy with which he became identified and of which he was so proud. The incident also gives some indication of George Livesey's standing at that time as the manager of a relatively small and obscure works in post for only four years.

This demonstrates the way in which George Livesey had become the pacesetter in regard to his aging Board. He was pushing policies to their logical conclusions which had long been laid by the Board and was prepared to use the power of shareholders meetings to change Board policies which he did not like. The 1870s saw South Met.'s management expanding and innovating: company meetings often

involved major confrontations between Livesey as Company Secretary and Board members. As Company Engineer he was an employee and could have been dismissed; as Company Secretary he was elected by the shareholders - and Livesey was sometimes accused from the platform of having packed meetings.

The 1872 Gasworkers strike was a factor which helped to consolidate Livesey's position at South Met. Alone in London South Met. workers did not strike: Livesey claimed thereafter that the reason for this was that he 'understood' the workforce and that this had diverted strike action. This claim will be discussed later.

As South Met. expanded so Livesey began to push efficiency as the reason for this success. Throughout the period of the 1870s he gave numerous papers on various subjects to professional bodies in the gas industry. To start with these papers were on technical subjects but gradually they took on matters more related to administration and in due course to worker relations. In Livesey's year as Chairman of the Institute of Gas Engineers, 1876, he made several speeches of an overtly political nature.¹⁶ The message throughout these papers is cost effectiveness and efficiency - but in so far as worker relationships are concerned these must be tempered by allowing workers some rights, like that of worship on a Sunday and that this in turn will give the workers the commitment to the Company to work in a more positive way.

In the course of the amalgamations with Surrey Consumers, the Phoenix Company and the two Woolwich Companies, Livesey retired from his employment with the Company. Once the presentations to himself and his wife at the various works were over he took up a place on the Board. Within six months he was Chairman and from then on his career continued without the restraints imposed by being an employee - but nonetheless still in opposition to many on the existing Board. This Board was now greatly enlarged and augmented with members from the other constituent companies.

In South Met.'s name he began to champion a number of political causes. One of these was the abolition of the coal taxes. At that time all coal which came into London was taxed and obviously for the gas companies whose main raw material it was these were a burden they did not want. Livesey argued that prices could fall if the tax was lifted and that this was the only sensible course. He argued that tax was collected by local authorities who then paid it back to him in the form of increased prices higher than they need be because of the tax. South Met. was however the only company pledged to lower its prices should coal taxes be abolished. In 1889 this cause took him directly into the political arena when all candidates for the LCC were lobbied on this issue.

The same battle was carried on against rates - rates in Livesey's arguments were yet another local tax pushing up gas prices to the ratepayer. South Met. made a policy of opposing all rating assessments and Livesey appeared at hearings to argue that since South Met. was a partnership of consumers and company under the sliding scale that rates were then an unnecessary bureaucratic procedure.

After the formation of the Metropolitan Boroughs in 1894 Livesey carried this campaign even further and it eventually led him to a personal involvement with the Municipal Reform Society in the 1900s.

Livesey was aware that however efficient South Met. was in pricing policies towards the public, nevertheless public policy towards the gas industry would be determined by the behaviour of the industry as a whole. Increasingly throughout the 1880s and 1890s he turned his attacks towards the other major London gas company: Gas Light and Coke Co. Their area covered most of North London, and there their prices were higher than South Met.'s in the South. Prices were kept to that level only because the Company was obliged to do so under their Statute.

Livesey began a major campaign of criticism against every aspect of their management and policy. As a shareholder he began to turn up to their Company meetings to make long and detailed speeches on most aspects of their work and would claim to demonstrate changes which would lead to economies. This was

augmented by letters to the press and by political lobbying.

By 1889 at the time of the Gas Workers strike this quarrel was at its height. A dispute had arisen between the two companies over the supply of gas to the Nine Elms Goods Yard. The Railway Company had taken advantage of South Met's lower prices to get their supply of gas from them but most of the premises lay in the area of Gas Light and Coke's agreed supply. The case eventually went to the House of Lords and despite previous judgements in favour of South Met. damages were awarded to Gas Light and Coke Co. During the period of the 1889 strike South Met. were being pressed by Gas Light and Coke for payment of these damages and relations were very bad indeed.

This incident is only important in that it illustrates how far Livesey was prepared to go in order to prove that the gas industry could supply gas in a way that was not against the public interest, To do so he had broken up any form of agreements between the London Gas Companies. This situation was reflected in 1889 Gas Workers dispute because it meant that co-operation between the companies at a level likely to damage the Union was not really forthcoming. South Met. were on their own in the dispute - a less successful South Met. would remove pressure to change profit and price relationships at Gas Light and Coke.

Another source of friction in the London gas industry in 1889 was the situation which had given rise to the break up of the professional institute. A scandal had grown out of the 1883 Crystal Palace Gas Exhibition. Livesey had been partly responsible for this and a great deal of the management had been done by him. Even before the exhibition had been held certain appliance manufacturers had accused him of partiality towards others. This became a major row led by an appliance manufacturer called George Bray. Bray attacked Livesey through the professional institute and also in the pages of the gas press - some issues of Gas World have four and five page articles against Livesey.

An underlying cause of the attack seems to have been the suspicion by some provincial gas men that the Institute was being run by a small group of Londoners 'the London coterie' - in fact Livesey and his associates. An argument developed round the issue of whether appliance manufacturers should be allowed into the professional body.

The eventual outcome followed High Court actions and accusations of masonic inspired deals - Livesey resigned along with the 'coterie' and a rival professional body was formed. The incident illustrates that Livesey was not alone in his ideas and that the group he worked with - masonic or not - were prepared to help him implement them.

Linked to sales of gas through meters and the push in gas sales was the positive involvement of the workforce. It is here that policies of expansion and technological advance interface with co-partnership. As sales of gas to the public increased, the Company needed more and more to have an acceptable public face. Large numbers of employees were used outside the works and directly involved with the public; these workers must be totally loyal to the company in order to promote a favourable Company image. Co-partnership was the means of buying this loyalty. Allied to this was a positive policy of encouragement to all workers to become gas salesmen among their friends and relations. Workers were offered a bonus for new customers and any appliances sold through them earned commissions.

George Livesey talked a lot about partnership in relation to the sliding scale. Perhaps the biggest move that South Met. made in this direction during the 1880s was in the policies of share sales to consumers. Legislation required gas companies to offer new stock for sale only through tender or by auction and South Met. varied this policy in that tender notices were deliberately excluded from the financial and business press and

instead put into the local papers. Invitations to buy were sent out with gas bills and notices sent out by the Company.

Figures for the amount of company stock sold in this way are not available but nevertheless it was a positive plank in Livesey's arguments that the public were partners in the company under the sliding scale and one in which he could easily extend to share sales to company employees.

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NOTES TO SOUTH METROPOLITAN GAS COMPANY:

1. Journal of Gas Lighting 17.5. 1876
2. Gas and Water Times 15.4.1856
3. Journal of Gas Lighting 26.5. 1882
4. Journal of Gas Lighting 23.10.1860
5. Gas Gazette 1.6.1858
6. Metropolitan Board of Works Minutes 19.2.1875
7. Journal of Gas Lighting 17.5. 1876
8. *ibid*
9. Evidence of George Livesey to Select Committee into the Metropolitan Gas Companies 1899 pp 97
10. Journal of Gas Lighting 11.3.1850
11. Livesey. Evidence to Select Committee. *op cit.*
12. Journal of Gas Lighting 27.6. 1882
13. Gas World 27.9. 1884
14. South London Press 27.10.1888
15. Journal of Gas Lighting 9.4. 1861

SOUTH MET.- INTERNAL POLICIES

Conditions in the industry have been portrayed as bad. South Met. had policies towards its workforce which have been described as 'welfareist' or 'paternalistic' but which were designed to provide advantages for the workers in their lives, outside the immediate workplace. What were these policies and for what reason were they instituted? In what way did these earlier policies interrelate with the profit sharing/co-partnership scheme?

Work in the gas industry has been described by a variety of authors and was hard, hot and unpleasant. Work in the retort house, the central process in the industry, involved the manipulation of burning coals and was thus inescapably so. Many popularisers of the Gas Workers cause have used extracts from Will Thorne's biography to illustrate working conditions. Thorne described vividly his work at Saltley Gas Works in Birmingham and his brief period of work at Old Kent Road followed by a move to Beckton ...

*'the work was hard and hot ... it was gruelling,
agonising ... working for twelve hours a day in
heat and steam'.* 1

Thorne, of course, as an activist working to improve conditions had an interest in stressing the horrors : outsiders were even more shocked.

As illustrations of work in the early days of the gas industry we have Gustave Dore's prints of work in the Lambeth Gas Works - where wretches in rags slump exhausted away from the smoking retorts. This picture has been recently amplified by the re-publication of Flora Tristan's description of the Horseferry Road works of the Chartered Company in the 1830s:

*'the work demanded of them is more than human
strength can endure ... the heat was suffocating
.... the air is horribly tainted ... at every
instant you are assailed by poisonous fumes ...
the entire premises are very dirty ... this is
even worse than the slave trade.'* 2

Flora Tristan wrote of her impressions following a very brief visit to view the retort houses ; other writers described work on the basis of careful studies of the work done. They highlight particular problems - the system of alternating twelve hour shifts,-culminating in the fight for the eight hour system, the wage levels, Sunday working and the seasonal employment of extra men in the winter.

There is no doubt that Retort House work was hot and demanding. In 1863 Zerah Colburn described in The Gasworks of London those works in some detail. 3 This is a work written by a man who has studied the

industry seriously and he describes the processes undertaken in some detail. But he gives as his main impression one of the extreme heat and the strain put by this on the workforce:

'the work is tiring ... in the hottest of the works the men frequently strip to the waist and work every article reeking of sweat'.

The work consisted of putting dirty coal into a hot retort, waiting for it to burn out and then remove the hot and dirty coke at the end of the process. The coke would have to be 'quenched' with water and then removed and the process started again. The gas made went through a series of processes to remove impurities and was then held in a gas holder before being piped to the customer. Most of these processes were noxious and dirty and resulted in sometimes dangerous by-products which themselves were processed for sale.

Doubtless early gas engineers put safety and pollution control low on their lists of priorities - there is an early description quoted by Everard⁴ of a Commission of Enquiry retreating in haste as an engineer knocked a hole in the side of a gas holder and lit the ensuing leak. Workmen too were no doubt often careless of their own safety - sixty years after the incident quoted by Everard an explosion in Bermondsey which killed several members of the public was caused by workmen repairing domestic pipes looking for leaks with a naked flame.⁵ Familiarity breeds contempt and men working with dangerous substances may take risks which will horrify observers.

By the 1880s working conditions were probably rather better than those described by Flora Tristan - at the very least some smells and dirt had been controlled through public pressure. The open sheds which she described as rest places for the men were enclosed and often provided with washing facilities together with newspapers and recreational means. Some works provided canteens. It is nevertheless of note that workers' complaints in the 1880s did not focus on the physical unpleasantness of the work but on the length of shifts and the regulation of tasks.

It must also be admitted that work as heavy, demanding and difficult as gas stoking had a sort of glamour attached to it - as work that could only be done by the exceptionally big and strong man. In the popular view - both in the 1880s and among present day writers - 'stokers' is a synonym for 'gas workers'. Stokers - retort house workers of many kinds - did an exceptionally physically demanding job which meant that they had to be exceptionally strong and at the peak of their working lives. In 1889 the Times reporter watched the police marching replacement labour in to the South Met. works; his first and main thought was to assess them as potential gas workers in terms of brute strength:

'the natural thing to do was to study the physique of the new arrivals - the vast majority were capable labourers and many of them were obviously powerful men'.

The physical conditions in which gas workers worked should not be under-estimated in their physical unpleasantness - but in assessing that unpleasantness we must also take into account that those involved in it may also have had considerable pride in their own abilities to endure it.

Such hard work in great heat inevitably led to a lot of drinking and inevitably a proportion of what was drunk was beer ...

'the old men [men working at South Met. before the 1889 strike] drank beer and were drunk at work but they were not drunkards' ?

said a witness to the Royal Commission of Labour, and this must be kept in mind when considering the temperance advocacy of some gas company managements. Colburn says that the gas workers drank 'skilly'⁸ - water with oatmeal in it - and George Livesey tried to promote the consumption of this at the Old Kent Road Works. Nevertheless such heavy drinking is a concomitant of heavy work throughout most industries and its consumption adds to the pride of men able to do both the work and the amount of drinking involved. The first resolution of the Gas Workers Union embodied the principle of no substitution of labour - men should not do the jobs of others - the only exception was to be when a labourer was 'drunk for the first time'.⁹

'Stokers' has become a synonym for 'gas worker' but it is important to remember that stokers were themselves one of several sorts of labourer working in the retort house and that retort house workers did not comprise the majority of gas industry workers. Popplewell writing in 1911 says that retort house workers accounted for only about a third of the total workforce - the other two thirds being made up of general labourers, specialist craft workers and 'outside' men.¹⁰ Retort house workers were the key sector for without them gas could not be made, but in arguments about the eight hour day and Sunday working it must be remembered that for the majority of gas workers such conditions did not apply, not did any considerations of exceptionally unpleasant working conditions.

For this other two thirds a host of different conditions of work applied. Skilled craft workers may well have enjoyed the conditions general to those who practised their particular trade in other industries - blacksmiths, carpenters, and so on.

'Outside' men worked often unsupervised in the freedom of the streets - lamplighters, fitters working on domestic premises, collectors - as well as labourers who worked in the streets in gangs supervised by foremen. The industry employed its own specialists - men who made and repaired meters and other equipment. In the 1890s South Met. had workshops in order to manufacture domestic appliances.

Some men were employed to watch process equipment - to stand by valves and meters in order to act in case of emergency. Other men were labourers employed outside the retort houses but doing equally hard and heavy work - but not in conditions of great heat - e.g. whippers unloading coal from boats, men with considerable industrial muscle - in 1872 South Met. erected machinery to unload steamers 'because of difficulty and delay in discharging ... due to the action of the coal whippers'. ¹¹

Other specialist workers were seamen and lightermen employed directly by the Company, and in addition an army of semi-specialist workers in other processes concerning by-products.

South Met. was a large company in the 1880s and its workforce was large and specialised. This situation obviously did not apply throughout the industry. In Wandgas magazine, Joe Emmett, an old gas worker in the Wandsworth works, describes how they were

'one day or two stoking, changing over to helping in the yard and finishing up with a bit of piece work.'

¹²

Even in the 1900s some works were very small. The South Met.'s house journal Co-partnership Journal describes a works so small that it only had one employee whose wife, at Sunday lunchtimes put the baby's pram on top of the gas holder to increase the pressure! ¹³

South Met. had never been as small as that but it had grown comparatively fast. A photograph of the 1870s shows the administrative staff as five people who had between them to carry out the entire clerical - purchase and sales ¹⁴ procedures and also supervise a continuous process industry. Many of the workforce would have had experience of many different tasks in the works. It can however be generally assumed by the 1880s that tasks were regularised and followed an established pattern, and that this must be taken into account when discussing complaints from the workforce on the pace for work - work had become less varied.

Another point which must be taken into account is the extent to which works like the Old Kent Road recruited workers from the same families. Sons followed fathers and the house magazine of the Company gives numerous instances of family involvements through generations of work for various companies. In South London SEGAS workers still maintain this tradition of gas families who have worked for SEGAS and before that South Met. for generations - and a tradition of suspicion to outsiders to the industry. A boy might start in the works in his early teens and graduate to retort house work when he was strong enough; in old age he would be given lighter work - house journals of the various companies give many examples of such progressions.

Some boys would pass to skilled work or to an unskilled specialisation, the exceptionally bright boy might pass to clerical work and in the very rare case progress to management. Gas managements of the 1880s were staffed with men who had often risen from the 'boys' of the 1840s and 50s, some of them achieved directorships. Such examples were rare but nevertheless indicated that progress through ability was an available path. George Livesey in his road from 'boy' to Managing Director had the advantage of being the manager's son and also coming from a family other members of which were equally involved in the industry, it should be noted, however, that without ability he may not have reached this level - as indeed his brother Frank did not, despite an expensive education denied to George.

Some full time retort house workers would be recruited from the pool of 'wintermen' many of who would hope for a full time job in the works should a vacancy become available. It is, however, in the pool of 'wintermen' that one of the main problems of the industry is exhibited.

It is obvious that gas as a source of heat and light is more in demand in winter than in summer and works must take on extra men in the winter to meet extra demand. Popplewell writing in Seasonal Trades is entirely concerned with the effects of seasonality in the industry and gives several sets of figures for seasonal workers in 1910. For example,

a works which made 27,334,000 cubic feet of gas in June employed 5,461 workers to make it - in December that works would make 51,760,000 cubic feet and need 6,430 men. Popplewell says that managements would often save maintenance work for the summer and retort house workers, not needed to make gas, would be employed on general labouring: those laid off for the summer would be given first refusal to come back next autumn and indeed might be included in welfare schemes in the works and treated in many ways like permanent workers.¹⁵ Workers in these circumstances might often have regular summer jobs to go to and both Colburn writing in 1863 and Popplewell in 1911 mention brickmaking in the Sittingbourne area as a traditional job for 'wintermen' from London gas works in the summer. It is of note that Sittingbourne was an area from which South Met. hoped to recruit 'blacklegs' in the autumn of 1889.

The influence of seasonality has been taken up by historians of the gas industry. E.J.Hobsbawm has argued in his article on British Gas Workers¹⁶ that seasonality was a major reason for the delayed success of unionisation in the gas industry until 1880. This point was taken up and extended by Joseph Melling.¹⁷

Both of these assertions rest upon the assumption that wintermen were drawn from a pool of casual labour. It is however the case that some companies - among them South Met. - wintermen were employed casually on a regular basis. South Met. included its winter men in some welfare arrangements on a special basis and treated them as employees, albeit irregular ones. There is some evidence that regular wintermen would be given first option on regular year round jobs.

Melling does not attempt to quantify his assertion that welfare provision had a 'limited impact' and indeed it is difficult to see how such quantification could take place without access to direct evidence of workers lives compared to those without the benefit of such provisions. If impact is defined in long terms aims of 'loyalty' to the Company then reference can only be made to evidence of action by the workforce as a body over a long period of time. Such evidence - given other influences on their behaviour - is also inconclusive. What evidence there is suggests the workforce at Old Kent Road were 'loyal' - they did not strike in 1872 and provided more strike breakers in 1889.

Evidence is also inconclusive of seasonal men acting as potential strike breakers and retarding unionisation.

Seasonality does not appear to have been a factor in either 1872 or in 1889 - in 1889 strike breakers were men from outside the area, not regular winter men. Both strikes took place in mid-winter when winter men would have been in the works and

influenced to strike too with the rest of the workforce. Strikes were obviously better placed in mid-winter because then demand was at its highest and the Company more quickly in difficulties, but the fact that the winter men must have come out with the regular full time men in these circumstances implies that seasonality was not a factor in retarding unionisation. As Melling points out they were also affected by welfare legislation. If it was in the Company's perceived interest to promote welfare then it was in the Company's interest to include the wintermen in it - by 'attaching' them to the Company they could be made them more likely to act as strike breakers than to join the

A further point, of paramount importance in any discussion of gas workers conditons, concerns the level of wages. Wage levels among retort house workers were generally higher than for similar labouring work - Popplewell quotes for 1906 an average wage for all occupations as between 30/- and 35/- and in London sometimes over 45/-. Compared to the respectable workers in Round About a Pound a Week living in Lambeth in the same period - retort house workers in London were doing well.¹⁸

It is noticeable that throughout the 1889 strike period that wages are not an issue discussed by the Union. Wages throughout London were maintained at level of parity by employers - companies informing each other of rises and adjusting rates accordingly.

In an discussion on gas workers conditions before 1889 the question of the eight hour day is usually to the forefront. A system of twelve hour shifts was generally in use before that time and the industrial movement of 1889 was largely organised around calls for a change. Work in the retort houses was divided into two twelve hour shifts, one on and one off, for seven days a week.

Once a month the shifts were changed over involving one set of men in a gruelling eighteen hour change over period. Gas was necessarily made in a twenty-four hour continuous process and with inadequate storage techniques the rate of make must be constant and roughly equivalent to demand. From the 1870s the problem of long shifts and lack of breaks - in particular the lack of a Sunday holiday - increasingly concerned both managements and workers. In May 1871 South Met. Directors minuted an attempt to reduce labour in the retort houses on Sundays ¹⁹ and this attempt was remembered in Co-partnership

Journal when in 1905 an old gas worker described how the ending of the eighteen hour change over period in South Met. was brought about in the 1870s by creating more storage space for gas through larger gas holders - thus more gas could be stored to cover Sundays.²⁰ He further mentioned Robert Morton a close worker with Livesey, and at the time on the management staff of the Phoenix Company, as being instrumental in this changeover. This easing of working hours, however, only concerned Sunday working and although eight hour shifts were worked in some works for many years before 1889, twelve hours were still general in London.

It is important to realise that eight hour shifts do not automatically mean less work. The system is a re-arrangement of shifts and manpower so that less men do more work for a shorter time. The workforce is divided into three shifts instead of two and men perform more highly differentiated tasks. On the twelve hour system there were often long breaks with no work to do which made the pace easier and often more acceptable to the older men. George Livesey claimed that the workforce had been offered the eight hour system before 1889 by management - although this instance is not minuted.²¹

It has been rejected because the workforce wanted 'the big shilling' described by Charles Carpenter²² as the money earned on a twelve hour shift. On the face of it the changeover looks as if it would have had no advantages for management - it would cost more in terms of both wages and equipment - and there is

no apparent reason why it should have been offered without prompting, and Livesey gave no reason. In discussing the changeover to eight hours in 1889 the professional journals give no solid reasons for advantages to management yet in 1889 most managements seem to have given way to union demands with very little argument - indeed some, like Gas Light and Coke Co., said they welcomed the change:

'there has been no fight with this company on the question of the eight hour system - as a matter of fact the system was brought in some years ago and declined. As soon as it was suggested we did so.' 23

In 1889 and again in 1890 South Met. balloted its workers over which system should be run in individual works. The 1889 ballot produced a response for the eight hour system in all works but in 1890 Rotherhithe workers opted for twelve hours - and remained on this system for some years. 24

Gas Workers suffered from long arduous hours doing hot and heavy work in a polluted environment - but for reasonably good money - many workers did worse for less. It must be remembered too that works like Old Kent Road in the years before 1880 were small and domestic affairs. Wives and children brought dinners in to men working on shift, children could play in parts of the works, workers in the breaks on the long shifts could swim in the - as yet fairly - unpolluted canal and put out lines to catch fish for breakfast. They might have allotments on site and grow vegetables

and flowers. It was after 1880 as the company expanded that this level of domesticity was lost - with increased public transport and the building of the Greenwich foot tunnel workers did not need to live locally and the loss of the sense of community is part of the new situation which co-partnership tried to meet.

In Labouring men E.J.Hobsbawm discussed the question of the workforce's perception of their work load in 1889:

*[from 1874 to 1888] in 14 years each stoker
had on average increased his output considerably
..... yet the exertion which he felt himself to
be making was much greater than this'. 25*

In 1889 union men complained of a harder work load - was this really so? Hobsbawm's case is that an accumulation of small changes meant that by 1889 workers really did feel that they had reached the point at which the work load was becoming oppressive. In the period from 1870 to 1880, as we have seen, amalgamations proceeded apace. In London small companies became big ones with many works, divided by years of custom and practice, not united under one management. In this period the numbers of customers rose and output grew to match - along with this the numbers of workers grew - and the domestic atmosphere of small works went. Small works were being phased out and replaced in importance by large ones - Beckton ... East Greenwich.

George Livesey certainly thought that increasing depersonalisation in the industry was a major problem for management -

'We seem to be at the parting of the ways, if they have not parted already - the days of small industries and the old relationships of master and man are gone past recall and the Joint Stock Company on a large scale with capital and labour holding diverse views, to put it mildly, is now a reality. 26

The old 'friendly relationships' were gone in contrast to the aggravated and strained relationships of the late 1880s. This problem could be solved, said Livesey, by co-partnership.

South Met.'s efforts in this direction have had considerable attention but it is known that other gas companies instituted welfare arrangements for their employees. There has been very little systematic research into the spread of welfare provision in this period except in terms of a few outstanding individual companies in industry generally. There is no available standard of comparison which refers to companies other than those whose standards were remarkably high, or those whose standards were remarkably low. It would appear that some gas managements did provide some welfare provision - but a systematic enquiry into how many did so has been beyond the scope of this paper. Why did some gas managements in the middle years of the last century seek to provide such measures for their workforce?

In South Met for instance, a superannuation scheme had been set up before 1870 - not in 1890 as Perks suggests ²⁷ - together with a sick benefit scheme and some sort of holiday provision with pay. It is likely that they were instigated by Thomas Livesey - both he and members of the Board were strong Christians with a belief that men could be improved by being encouraged to manage provision for their own benefit and futures.

Gas Light and Coke Co. had had sick benefit schemes since the 1820s - this and other benefits are outlined by Everard in the history of that Company.²⁸ South Mets' records of its earliest sick benefit scheme are scanty, but in 1856 the Director's minuted that a sum of £20 was to be given to the sick benefit fund.²⁹ A memoir in Co-partnership Journal in 1905 however mentions a scheme which was set up in 1842 - two years after Thomas Livesey had come to South Met.

The South Met. superannuation scheme was set up in 1855 on the initiative of Thomas Livesey whose 'exertions in the matter' Gas and Water Times 'rejoiced with'.³⁰ Rule Number One of this scheme said that it was to

'provide a minimum pension in the event of incapacity in old age, not a competency to retire on'.

and indeed: Gas and Water Times reported that the directors hoped that their 'donations would be the foundation of a superstructure'³² That is the Company was giving a start to the scheme which they hoped the men would continue and manage for themselves; it was not to make them dependent.

In 1860 a Widows and Orphans Scheme was set up which provided money to educate orphans of dead employees and to provide a pension for widows.³³ It must be stressed however that other companies had similar schemes which were organised with the same view to independence among the workforce. For instance in 1878 the Phoenix Company gave the Bankside Works Sick Fund £15 to help it cope with payments during an epidemic of 'flu'³⁴ although in normal times such funds should be self-supporting and not relying on donations.

In 1860 Journal of Gas Lighting published an article on 'Sick Funds for Workmen'³⁵ They argued that the men should be encouraged to run their own funds

'to render themselves independent of eleemosynary in their seasonal afflictions and countless troubles that flesh is heir to'.

South Met. has a record of consulting its men before setting such schemes up. When the history of the superannuation scheme was written in Co-partnership Journal³⁶ in 1905 it was recalled

that George Livesey was at the meeting, held on the 1st December 1855, the workmen unanimously agreed with the scheme and once the shareholders' consent had been agreed at a Company Meeting the scheme proceeded. Officers did not however have such a scheme - the meeting held for them had turned the scheme down and it was many years before they agreed to participate. Such workers meetings were called by South Met. management on several occasions and are echoed in the 'Interview' called by George Livesey to explain the 1889 profit sharing scheme.

Where South Met. was most innovative, in all probability, was in the field of paid holidays for its workers. Although the spread of paid holidays cannot be quantified without research beyond the field of this work they were probably very rare in this period. Authors of works - like A View from the Peak - concerning working conditions at a later period than the 1870s assume that paid holidays for working people were unknown until the 1930s. ³⁷

Although there is no originating minute for the holiday scheme in 1872 the Directors minuted that regular workmen should get two ~~weeks~~ pay with a weeks holiday when it was taken. ³⁸

In 1881 following amalgamation with Surrey Consumers and Phoenix Companies, the Directors of the new Joint Board minuted an attempt to rationalise holiday provision throughout the three companies:

'both companies had had particular holidays which were given with double pay .. at Christmas and Easter. South Met.... gives in addition one week's holiday during the summer with double pay for workmen who have been 12 months in the regular service of the Company ... Vauxhall gives.. a day's holiday excursion, clothes and gratuities during the year'. 39

What is apparent is that Phoenix and Surrey Consumers had provided gifts in kind to workers whereas South Met. had given only holidays. The minute continues to abolish all gratuities and gifts and extends the South Met. practice of holidays with pay to all workmen with over a year's service.

Abolished with the clothes and joints of meat at Christmas were all excursions and beanoes. This brings out an important strain in the South Met. ethic - temperance. South Mets' welfare provision was austere and designed to make workers help themselves. Holidays with pay had the rider that the holiday must be taken at the seaside or in the country - and this was deliberately designed to keep the worker out of the Old Kent Road pubs and with his family.⁴⁰ Gifts were charitable and therefore demoralising - beanoes by their nature involve drink.

South Met. was not the only gas company that sought to 'improve' its workers lives. In the late 1850s Phoenix laid on lectures for the men - but they only attended in ones and twos, even when the lectures weren't religious. But they did use the dining room. the washing facilities and the 'lobbies' equipped with papers and games materials.⁴¹ It was practical help which gained a response rather than 'improvement'.

Journal of Gas Lighting quoted increasing numbers of instances of this type of provision in the 1880s. In the South Met. Livesey's management style from the 1870s was aimed beyond practical applications to improve working conditions to methods of manipulation of the men to make them help themselves.

George Livesey had been a temperance advocate and activist since boyhood. He had 'signed the pledge' at the age of fifteen, while involved in a temperance organisation which had been set up by workers at the Old Kent Road Works.⁴² This step which identified him with the cause of the temperance movement was at the level at which the ordinary workers of Peckham were also identified. He became a founder member of the Band of Hope Union and its president in the year before his death.⁴³ Throughout his life he was a Sunday School teacher and a worker and benefactor to whatever church he currently attended throughout various moves. Canon Ransford, his friend and sometime Vicar of St. Jude's, Herne Hill, said that Livesey gave a tenth of his income to the church.⁴⁴ Outside of this he patronised and supported temperance organisations around South London - his will lists several such charities to which he left money.

He was known as a local philanthropist - in the 1860s he had been involved in the setting up of a temperance working men's club in Peckham⁴⁵ and in the late 1880s gave a public library to the

Vestry of Camberwell to be free to the working people of the area who had 'great claims on it'.⁴⁶ It was an extension of such philanthropy which led him, before his father's death in the early 1870s, to be approached by the Lord's Day Observance Society, on the matter of Sunday working in the industry.

Gas was a continuous process industry which naturally involved Sunday working. John Gritton of the Lord's Day Observance Society approached the British Association of Gas Managers to tackle this problem and as a result Livesey and a group of associates initiated a survey among gas companies to discover the extent of interest in abolishing Sunday working.⁴⁷ The Committee reported, in due course, that the number of replies was not as great as they would have wished - there were 71. Fifty four of these said that they had turned their attention to the subject of Sunday labour and twenty four said that they had not been able to reduce it. Nevertheless seven had reduced it considerably and four slightly.

The Committee recommended that a plan should be worked out to show how Sunday working could be reduced or abolished. This was to be done by means of technical innovation - to be worked out by Robert Morton, Livesey's friend who was at that time with Phoenix. Along with benevolence in this matter were ideas of economy - no pay would be given to those who did not work on Sundays.

However little this survey demonstrated, the committee which undertook it included men who although in the early 1870s were still in middle management, by the 1890s were Chairmen of Boards. In the intervening years they instituted many reforms in their own companies. Both Livesey and Robert Morton set themselves to try and find a technical solution to the problems of gas manufacture and storage so that Sunday working could be abolished altogether.

Livesey always attempted to build incentives into whatever provision was set by him and by 1889 a whole range of such measures had been introduced. Incentive payments for good timekeeping, and forms of competition between gangs of workmen to produce high quantities of gas, are examples. Even Will Thorne, writing in his biography, remarks with pride how his gang at the Old Kent Road was always able to secure the bonus payment for high yield.

48

In instituting co-partnership Livesey said that the men's interest must be captured if they were to do a good job - men with no interest would be disaffected and the company would suffer. These payments were gauged to that interest and part of a package of deals calculated to persuade the workers of the mutual interest between Company and themselves.

Joseph Melling described South Met. as paternalistic before 1889.⁴⁹ He defined paternalism in two ways - either as the concerns of the employer for the employee in a small industry where everybody is well known to everybody else - or that found in large companies which are concerned to regularise welfare benefits for their employees. He does not say into which category he puts South Met. and it would seem that South Met. was different from both of these definitions. South Met. was a medium sized gas company. If we accept Livesey's statement of 'old friendly feelings'⁵⁰ which existed then we must also put those in context of regularising benefit and a workforce of above a hundred.

Early paternalism in South Met. was guided by a strong religious instinct in both management and board. Thomas Livesey was known in Peckham as a local churchman and a supporter of local charities and schools. His obituary in South London Press described him⁵¹ as a 'man without an enemy' and as a man determined to do good works he was able to interact with likeminded elements on the Board.

At Proprietors' meetings the view was put forward in the 1850s that it was the Christian duty of the Board to improve its workers lives by sharing with them the benefits brought about by more prosperous working by the Company. It was hoped that at the same time workers might be encouraged to become practising Christians. Management explained that they had tried to persuade the men to take Sunday as an, unpaid, holiday so that they could go to church; however workers had not gone, they had hung about the works. The Board considered this to be a moral problem - they could not force men to go to church but on the other hand a compulsory holiday might lead men into the pub rather than the church. A solution was found for a while by holding church services in the works - luckily the works was partly built on the site of a demolished church - and work was suspended so that men could go. In 1858 a stoker writing to Journal of Gas Lighting⁵³ pointed out that Phoenix gave one Sunday a month off with pay to 'these men of fire'. This correspondent too is concerned with the right to have time off to go to church.

George Livesey while concerned about religious duties, was also concerned to 'help' workers to 'better' themselves. In this he concurred with the Charity Organisation Society's ideas and in the 1890s contributed to a book formulated by them in which he tried to make the connection that industrial partnership was a means by which distress among working people could be alleviated by giving some of them a chance to save. He attacked those who he

thought set up schemes of profit sharing and welfare work which were presented as more of a gift than a stimulus.

In 1901 he wrote with reference to the Lever system of 'Prosperity Sharing' -

'the free gift of the employer given or withheld at his absolute discretion as a favour ... tends rather to degrade than to elevate the workman .. to undermine his independence, to keep him under tutelage and to lower his manhood ...is it not after all better to provide opportunities , facilities and encouragement for the improvement of the position of the workmen and then leave them to work out their own industrial salvation' 55

This would seem to be a very clear and precise definition of what both Livesey and South Met. were about. It shows the brand of paternalism which they were promoting and separates them very consciously from undirected benevolence. It will be shown in due course the extent to which the South Met, profit sharing scheme was consciously designed to manipulate the workforce to a model. The roots of this model can be found in the religious aspirations of the Company in the 1850s in their attempts to mould their workmen into true believers.

If, as Livesey said, his view of paternalism was to encourage people to act for themselves, then how is this concept to be defined? That given by Albert Weale in Paternalism and Social Policy⁵⁶

may be relevant to this concept. Weale is concerned with defining paternalism in terms of government policies, nevertheless his definition is very relevant to Livesey:

'a paternalistic policy is one in which the government renders a self-regarding action less eligible for a citizen with the intention of benefitting the citizen in question.'

Thus paternalism is defined in terms of what it prevents people from doing 'for their own good' rather than in what it gives. Its essence is that it prevents freedom of action. In this way, as we shall see with reference to the profit sharing scheme, Livesey was paternalistic in that he directed his employees actions away from the union and into ways of saving money by means of which they had little choice - but were undoubtedly financially, and in Livesey's terms morally, better off at the end of the process.

Weale continues to ask if this action was ever justified and does so in terms of interference with the subject's 'Plan of life'.

'if possible the interference should be justified by reference to some element in the subject's own life plan, so that in the absence of intervention the person would be behaving inconsistently with some, at least, of his own freely chosen ends'.

In this is embodied the hope of the paternalist that he has identified what his subject 'really wants'. In this way Livesey identified what he saw that the workers 'really wanted' in terms of material prosperity and self direction in their own lives.

As we have seen Livesey had become identified with the sliding scale system of regularising gas company finances and at many times he had seen it as a solution to other ills. Throughout the 1870s

and 1880s he put it forward as something that could be linked to wages. In other industries - coal, iron - in this period the sliding scale was a device to link wages to profit. In the gas industry it linked initially to prices but essentially there is no difference. As Robert Michels said:-

'they incline... in England to a theory in accordance with which the workers and capitalists are to be united in a kind of league and to share, although still unequally the profits of a common enterprise .. thus the wages of the labourers become based upon ... what is known as the sliding scale.' 57

In the early 1870s the professional gas institute received a series of lectures from Thomas Travers, Manager of the Cork Works, on incentives through methods of pay to gas workers and linked to ideas connected with the sliding scale. Livesey spoke extensively at these meetings - he was President of the Institution in 1873.

The theme of many of Livesey's papers was a discussion of problems of labour relations and how workers could be made more aware of, and become involved in, the problems of the industry. He was concerned with concepts of 'fairness' and that men should be treated well if they were to work well. For example, they should be paid well. He said that he had asked the South Met. Board to extend the sliding scale to the workforce and that he had been rebuffed. In 1877 he had even asked for his own salary to be linked to profits on a sliding scale, but the Board had refused the application. 58

Livesey 's Presidential speech to the gas managers makes several key points:-

'It is all very well to say that the price of labour like that of coal or iron is governed by the inexorable law of supply and demand ... you may by this rule purchase his time but not get his good and willing service.' 59

and he was concerned to make a political point which foreshadowed much of his future work and arguments:

'the opposition will run so fiercely against them that independent companies will cease to exist'

Only by recruiting the workers to their sides politically could the companies ensure their futures. This speech was made in 1874 and in 1877 Livesey was writing to the professional press on a similar theme and promulgating the application of the sliding scale to the workforce as both a practical and moral step:

'this system to be of any use must be extended beyond the directors to the manager and those under him ... I say without fear of contradiction that the system of paying fixed salaries never gave any stimulus ... I maintain therefore that the only just system is one which gives a man a proportionate share of the wealth he creates because I believe it will give men an adequate motive for exceeding their routine sense of duty and giving themselves in their best in every way.' 60

In June 1882 Livesey was at the point of retiring from South Met. and was presented with the Birmingham medal by the Institution for his services to the gas industry. At the same meeting Travers gave another paper - this time he directly mentioned the profit sharing

movement and gave a brief history, including the work done on
61
industrial participation in France. He mentioned in his address
Livesey's ideas on involving the workforce and work on the sliding
scale. Livesey was the first on his feet following the address to
say how important these ideas were and explained how he had always
tried to implement them in the South Met. but had been prevented by
the Board until he had thought it best to drop the ideas.

*'the men must have the motive of self-interest.
This was the motive which he had had ... to a
very great extent in endeavouring to do what
he had done where he had been employed so long
.... this was a nut to crack which perhaps some
younger and more enterprising member of the
Institute would give his attention'.*

In the next few months Livesey retired from the Company. Within a month
he was on the Board. Six months later he was Chairman.

In 1884 South Met. moved a step nearer to profit sharing. A scheme was
set up whereby officers would receive a bonus on salaries based on
62
profits. A list of the officers concerned was produced and payments
made. The Board however made it clear in its resolution that this
was an experiment and was not to set any precedents. However in 1885
and 1886 the resolution was passed again. 63

During this period another scheme began to take shape, which was to
give responsibility for their own safety to workers. In 1888 the
Director's passed a policy resolution⁶⁴ concerning safety at work;
pre-shadowing events which were to follow in the early 1890s.

The Minute said that 'managers must consider themselves responsible ' and set up machinery for investigations into every accident. This scheme developed, in the early 1890s, into the Accident Jury system, whereby each accident was enquired into by both interested parties and by men chosen at random in the works. Figures for accidents at each works was published and weightings introduced on Accident Fund contributions in those works where the number of accidents was high. 65

In these ways South Met. began to move towards the co-partnership scheme.

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NOTES TO: SOUTH MET. INTERNAL POLICIES

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UNIONISATION

While the Company set about devising means of improving conditions for the workforce - either through direct benevolence or by means of incentives designed to 'improve' - the workers themselves had set up their own organisations to deal with problems of the workplace.

Unionisation in the gas industry, in so far as historians' attention had been focussed on it has been concerned with the 'new unions' of 1889 and in particular the Gas Workers Union in relation to its setting as a 'new' union. Historians have given little attention to the existence of a London-wide organisation in 1872 and sometimes give the impression that the 1889 industrial action was the first attempt to confront management by workers in the industry.¹

While the 'new unions' may be remarkable for their methods of organisation and nature, nevertheless groups of workers in the gas industry had always taken joint action to try and change conditions of employment and pay - and in 1872 an organisation had been built which covered, at least, all of London.

Within this context South Met. was again remarkable for its ability to avoid confrontation until 1889. Managements at South Met. claimed special relationships with their workforce which had enabled them to avoid direct action in 1872 and at other times. Within the context

of a small works where the 'old friendly relationships' still existed, the presence of a workers' organisation would be seen by management as in some ways antagonistic not only to their power but to the existing order.

The organisations of 1872 are mentioned. Hobsbawm in his article on British Gas Workers² mentions the 1872 affair in so far as he says that for 17 years before 1889 'they possessed no traceable unions at all', describing the workers as 'wholly unorganised'. While the rest of the article concentrates on reasons for the rise of the union in 1889 he does not attempt to explain how workers, who were well organised in 1872, lost that organisation for seventeen years. In explaining the necessity to organise in 1889 he does not explain why the reasons for the 1872 strike did not re-emerge in the intervening period or why the workforce was not able to re-activate its links across the industry.

The phrase 'wholly unorganised' does not encompass the many small disputes organised around details of work and often unreported nationally. Many of these took place and are reported in local papers, company minute books or discovered by inference elsewhere. Hobsbawm also does not explain the trouble taken by Government to prevent workers in the gas industry from taking joint action towards their demands.

Henry Pelling mentions the 1872 gas workers agitation in his History of British Trade Unionism³ linking it with

'the impact of the organising spirit of the time and the extension of the franchise to the urban workers coupled with the comparative prosperity of the period, encouraged them to organise themselves in imitation of the artisans'.

He points out;

'it is doubtful if any of those who began to form a union at the Beckton Gasworks in East Ham in 1872 had ever attempted such a thing before'.

Beckton, in 1872, had only been opened a very short time - building was only started four years earlier in 1868 - and unionisation there would have been unlikely to have developed in so short a time. Other works in London were involved in the 1872 dispute and in them disputes had not been unknown in the past.

Labour disputes in the gas industry had been taking place ever since the invention of gas and gas works. Stirling Everard's History of the Gas Light and Coke Co. instances several disputes which took place from its earliest years. The first, he says, took place in 1816 and was resolved by giving extra beer to the stokers - other disputes followed through the years in which the existence of a 'union' is often mentioned.

In one instance he mentions a strike whose participants claimed to have connections with Chartists and was seen as 'political' by management; in another he mentions the existence of a 'Grand National Consolidated London Conjunctive Union' in 1834. Workers in the gas industry were certainly in touch with each other and with workers in other industries

and were organising around issues other than those directly concerned with immediate working conditions.

Companies, however, were swift to take punitive action against activists - strikers were sacked and their names circulated to other gas companies and to their parishes - in the case of cessation of work companies could interconnect their mains thus ensuring a supply from other works to customers until the dispute was over.

In these disputes as elsewhere it was the stokers who were the activists - and indeed as later 'stokers' is often meant as 'retort house worker'. As Hobsbawm says⁵ they were in many ways the 'key men in the whole process' and their wage rates 'are a reflection of their political bargaining strength'. If this is so, and the argument is carried to its conclusion, then high wage rates, in the eyes of stokers, have taken away the necessity to organise. In successive disputes wage rates for stokers, and retort house workers in general, are not the major point at issue. If managements were willing to pay stokers high wages without recourse to organisation we should not remark on the lack of a union - unless a union is seen as per se something which workers should have. By the same argument when unionisation does occur it will necessarily be round issues more political than mere wage rates.

Other groups of workers in the industry were not so fortunate as retort house workers and without basic industrial muscle to affect their wages.

There is evidence of shortlived disputes among other specialist groups.- for example Harris ⁶ writing about the gas industry in Liverpool mentions a lamplighters action there in 1853. It is also extremely unlikely that unions did not exist among the many skilled and specialist tradesmen employed in the works - men who would have served an apprenticeship in their trade and have an affiliation to that rather than to the gas industry.

As Livesey himself argued, disputes were less likely to occur in small works where master and men were personally known to each other - most London works in the years before 1850 would have been of this size.⁷

While the 1889 unionisation is remarkable for the way in which it spread throughout the country and was able to organise workers around issues other than pay disputes, it is nevertheless the case that such dramatic unionisation had occurred in the industry before.

Everard⁸ mentions a strike in 1867 which involved stokers called for an eight-hour day and time-and-a-half on Sundays. These two issues were particularly contentious involving workplace reorganisation by managements in ways that meant technical change, but they were recurring themes of union activity - and, of course, major points at dispute in 1889.

The 1872 strike covered all London, except South Met., and included calls for reduced Sunday working. In the year preceding the action

stokers had asked for and received wage rises - these rises were circulated as information to other gas companies in London. National newspapers were to report meetings in August 1872 at which calls were made for an end to Sunday working and for union recognition. By early December men in the Imperial Company's works were out in sympathy with other workers sacked through the action and because of a refusal to work with non-union labour. Other workers throughout London struck and the action escalated.

While workers in North London struck, action in the South was more patchy and most remarkably so in South Met, where no men came out. It would seem unlikely that Old Kent Road works alone in London would not have been approached by other workers to participate in sympathetic action. There are indications that they did and that South Met. workers were broadly in sympathy with their aims but decided not to strike - why was this?

George Livesey had been in office as manager of the Old Kent Road works only a year when the 1872 action was started and South Met. had been informed of pay rises awarded by Imperial and Gas Light and Coke Companies in the previous year.⁹ South Met. had given their men rises to match these. In June 1872 Livesey had made a recommendation to his Board that men should be given double pay with their week's holiday 'in order to attach them further to the Company'.¹⁰ This phrase was to be much used in the future by Livesey when he meant loyalty to the Company - distinct to what he saw as an outside body - like the union. Whether or not this was a bribe, by September South Met. was declining to participate in an all-London Conference of gas managements 'to promote mutual acts on the

the question of stokers wages" because ' they see no necessity to attend the Conference more especially as their own men have taken no part in the agitation " ¹¹ In October South Met. again moved to raise wages to the level paid by the Imperial Company 'the men in this Company's employ have made no complaint nor have they asked for any additional pay but seeing as this Company's practice has always been to act liberally towards its workmen.....'¹²

Thus workers were given concessions above those asked for, and being currently refused at other works. This may explain their reluctance to press demands themselves for privileges that they already enjoyed It will not, however, explain their reluctance to come out in sympathy with workers pressing for union recognition.

There is evidence that South Met. workers did take sympathetic action. In labour disputes it was frequently the practice for companies in dispute to connect their mains to company's whose men were working. South Met. minutes of 9th December record 'that they had supplied gas to Surrey Consumers Company but because of South Met.'men's discontent this was stopped'¹³ In Journal of Gas Lighting eight days later is a further report. Livesey was challenged as to the truth of a rumour that pipes had been joined and then disconnected because of pressure from the men. He denied that such a request has been made 'if such a demand had been made upon me, my duty would have been perfectly clear'.¹⁴

However ambiguous this statement may be, Livesey had obviously seen it as his duty to disconnect the pipes and at the same time did not want to be seen publicly to be giving way to pressure from a group of workers.

In succeeding years Livesey made much of the fact that no form of union or strike action had ever occurred in South Met. - apart from one incident in the early 1830s when it was claimed the workforce struck in support of the management. But some workers acting in some sort of concert must have approached Livesey and persuaded him to disconnect - and if they were not 'the union' then they were acting in a way which very much resembled one.

A final note to this episode was given in a mysterious reference appearing in Journal of Gas Lighting some months later when 'a manager' was mentioned whose men had not struck because he had 'identified with their interests'.¹⁵ The point was made that his Board was so ungrateful for his action that it had not thanked him.

In 1875 the Chairman had accused Livesey (at that time Company Secretary) of packing meetings with his supporters. The supporters had been described as 'a parcel of our workmen' and the implication was that the Board felt that Livesey was too friendly with them.¹⁶

In 1872 outside the South Met. the end of the strike was swift and terrible. Striking workers were prosecuted under the Master and Servant legislation and many were sentenced to hard labour. Pelling outlines the outcry that followed this and the resulting petitions to Parliament - which eventually involved long term changes to the law.

In 1875 the Conspiracy and Protection of Property Act was passed which effectively prevented gas workers from taking strike action. Preceding the Act a Royal Commission on the Labour Laws was held in which the gas industry disputes were cited as evidence. 17

If we are looking for a realistic reason why unionisation in the gas industry died for seventeen years we must remember that in those seventeen years a generation of activists had passed. In that generation memories of the trials and sentences of hard labour could be forgotten. What gas workers could not forget was that legislation actually prevented them from striking without the almost certain event of those recriminations being reinforced with the full weight of the law. Gas workers may or may not have been unionised but to have come out without good reason would have been personally disastrous.

The situation from 1872 to 1889 was that of a group of workers, well paid but whose conditions were often bad, forbidden by law from striking. There are always those in the workforce - probably always a majority - who will take high wages and a quiet life and put up with the conditions. In the case of the gas workers it took seventeen years to forget.

Within those seventeen years minor disputes did take place.- no doubt most of them wholly unrecorded - but not 'wholly unorganised'. For example in 1878 Phoenix Company Directors minuted a strike on the coal wharf among fillers against reductions in pay. 18

Nevertheless the ability for mass action on specific demands was gone. In 1889 William Mathieson, one of the 'loyal' men at the November 1889 Interview told George Livesey;

'I am a great advocate for combination. I have always stuck up for it but never for strikes since 1874 when I went out with the result I lost £3'. 19

This forgotten and unrecorded strike at Vauxhall works seems to have been on the issue on the eight hour day and it is clear that his words are a reminder that men continued to protest, but that if strike action failed, punitive recriminations would persuade them not to strike again. Wages were high, men were not desperate. Perhaps another reason was the old bugbear of activists - apathy.

'even now there is laxity and indifference to the great Labour Movement... the majority of members think a club room and subscriptions is all they need.' 20

This quotation is taken from Will Thorne's 1889 report to the Gas Workers Union.

A different argument concerns the reasons why 1889 was the year in which the union came to life. If workers in 1872 were crushed, defeated, nevertheless high wages could make life bearable for many. What changed in 1889? Hobsbawm suggests two reasons which prevented action before then - that seasonality made labour more casual and thus reduced the effects of mass organisation, and the other that the closeness of labouring work to stoking meant that there was some interchange among the groups. By 1889 a combination of several influences provided an opportunity for men to persuade themselves and each other that the time for action had come. Up to that time it was apparent that many with the strength to could stoke - and stokers did not seem to see themselves as a craft needing status. 21

Hobsbawm admits that seasonality was less important as a factor than seems at first sight. Seasonal men returned in successive years and were on a more permanent employment basis than most casual labour.

In so far as unskilled status is concerned - as South Met.

learnt in 1889 - unskilled men still needed to be trained.

Blacklegs brought into the works in 1889 suffered burns, exhaustion

- South Met. came most near to collapse in the period when these replacement men were being trained. Stoking may have been unskilled in so far as it chiefly required brute strength but it, like every job, had its pace and range of skills - 'stoking', as we have seen, in any case covered a range of specialist jobs - firemen, scoopmen, etc.

The fact that retort house workers were relatively unskilled has nothing to do with their ability to take industrial action - they had done so in 1872 and saw themselves as a group then.

Companies did however sometimes attempt to cut costs with wage cuts - Phoenix Directors minuted several attempts to cut workers wages.²² It was on each occasion reported to the Board by management that this was inadvisable. This advice is a measure of the muscle which gas workers had - they did not need to take action; their wages were not cut - management was obviously frightened that they might and thought them capable of it.

The main theme of Hobsbawm's British Gas Workers is the interrelationship between unionisation and mechanisation.²³

Unionisation, he says, forced the pace of machinery in an industry slow to adopt it. This cannot be denied and there is a wealth of contemporary source material in, for instance, submissions to

Select Committees. Gas managers were happy to describe the processes which had led them to install machinery in the works - and blamed the unions for it. In his evidence to the 1899 Select Committee ²⁴ George Livesey explained how that mechanisation in the industry had been retarded since the 1870s. He explained how many of his efforts were directed to savings in costs. He demonstrated how his giant gasholders worked to this end. He claimed his reluctance to introduce mechanical working at South Met. was due to his belief that men should not be put out of work through machinery. Workers in 1889 were told that strike action would make such mechanisation inevitable. A different story was given to the Select Committees.

However, South Met. was one of the few companies which had expended a considerable amount on mechanisation. East Greenwich works had been started in 1881 and contained many innovative machines and methods on which Livesey's contemporaries poured scorn.²⁵ Part of Livesey's argument against unions was that they engendered the sort of restrictive practices which meant that machines were not used to their fullest extent. Co-partnership meant that there was an incentive for men to use machines to the best advantage.

If Hobsbawm's argument on mechanisation is valid - then it is partly disproved by South Met. If unionisation forced the pace of mechanisation thus giving the industry an impetus to modernise we must also accept that at South Met., before the inception of the union,

that modernisation had been moving briskly ahead at East Greenwich. Members of the workforce could therefore already see the impact of machines on day to day working. While Hobsbawm talks about workers' perceptions of change in the rate for working, new types of mechanisation in a new works like East Greenwich would be less likely to have this effect.

Industrial action in older works arose over the regulation of working practices in their traditional framework.

A further dimension to mechanisation in South Met. is that it is clear that the union, by an attempt to regulate working practices made it easier for management to introduce more machinery.

South Met. said that they had introduced machinery because it wanted less potentially troublesome workers - and that they wanted a workforce which would work with machines in the way that management wanted.

Livesey argued these cases effectively citing South Met's efficiency.²⁶ If in 1889 workers were beginning to see traditional work patterns changing then there are two further factors which affect them. Throughout the 1870s and 1880s technical change concentrated on the diversification of products. Gas technologists and managers worked on ways to find methods of using by-products commercially and to find more effective ways of selling gas. Gas is a chemical industry and by the First World War companies were able to switch production to chemicals for warfare.²⁷ South Met. was again a

pacesetter. Throughout the period from 1870 the production and use of by-products intensified.

Changes taking place in the way gas was sold - slot meters, etc - meant that the working classes were wooed as customers.²⁸

Much of this technical innovation was a response to threats of competition from electricity but the net result for the workforce was that more people were working outside the retort houses. More and more gas workers were not 'stokers'. Technical innovation was not solely confined to mechanical production methods in the retort house.

Amalgamations in the late 1870s must also have been a large factor in altering workers perceptions of their roles. Small companies suddenly became part of big ones - small works with management on site found management now several miles away and rarely seen.

It would have been remarkable if this had not made workers uneasy.

Joseph Melling discusses new management methods calling it a switch to modernisation in business methods.²⁹ The change in South Met, was in its sheer size and in the fact that this change took place over a period of only five years. In the same way a new type of workforce was being recruited - showroom workers, meter readers, etc. Jobs were becoming cleaner and not so physically hard.

In this setting it is not surprising that retort house workers should see their positions threatened in the pace of change around them.

NOTES TO UNIONISATION

1. eg. J. Melling in Industrial Strife etc. Business History July 1979. describes workers as 'strategic but unorganised' before 1889.
2. E.J.Hobsbawm. Labouring Men. London 1964.
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4. S.Everard. A History of the Gas Light and Coke. Co. London 1949
5. Hobsbawm, op cit.
6. S.Harris. The development of gas supply on North Merseyside. 1959. North Western Gas Board. p. 105
7. cf. Livesey. Profit Sharing; a Vindication. Economic Review 11/1900
8. Everard op cit.
9. South Met. Directors Minutes 13.11.71
10. Ibid. 17.6.72
11. ibid. 9.12.72
12. ibid. 30.10.72
13. ibid. 12.10.75
14. Journal of Gas Lighting 17.12.72
15. ibid. 3.5.73
16. ibid. 10.75
17. Royal Commission on the Labour Laws. Report of Evidence c 1157. 1872-4
18. Phoenix Company Minutes 13.7.78
19. "Interview" 21.11.89
20. Gas Workers Union. Report 1889.
21. Hobsbawm op cit.
22. Phoenix Company Minutes 15.5.79 et seq.
23. Hobsbawm op cit.
24. Select Committee on the Metropolitan Gas Companies 1899. p.94

25. cf. Journal of Gas Lighting 17th March 1883.
26. 1899 Select Committee op cit.
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28. 1899 Select Committee op. cit. Livesey's evidence pp 89 - 115
29. J. Melling. Industrial Strife and Business Welfare Philosophy.
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THE STRIKE OF 1889

The Gas Workers Union was founded in 1889 - and their first minutes record that an earlier organisation had been started two years previously but had collapsed. This attempt at organisation in East London had lasted for only two months and some of its activists were involved in setting up its more successful successor. The same minute book was used to record their activities.¹

The Union has been described as one of the 'new' unions founded in 1889. These unions enshrined principles seen as distinct from those in the more traditional organisations. As Pelling says ...

'catering very largely for unskilled and poorly paid workers the new unions tended to have a low entrance fee and subscriptions, and depended not on benefits but on aggressive strike tactics to win concessions .. there were willing to recruit workers without distinction of type of employment' ²

These unions have been seen as more likely to use political action to gain their ends. The Union has been described as having socialist connections and much made of Will Thorne's relationship with Eleanor Marx.³

The union was initially based around works in the East End of London and particular the Gas Light and Coke Company's works at Beckton. The addresses of the first Executive reflect this with addresses in East London and Essex. Will Thorne is not included in this list but the foundation of the Union is described in some detail in his biography, published many years later and closely following the minute books.⁴

The first records of the Union illustrate its activities in London and in the immediate surrounding suburbs - delegate meetings were held from works in this area. Activity quickly spread to other parts of the country and major disputes took place in several provincial cities and smaller disputes elsewhere.

This activity has been widely documented and was reported at the time in both the trade and national press. The organisation was based mainly round the call for the eight hour shift system - although local disputes covered many variations on this. Hobsbawm's article on British Gas Workers quotes Journal of Gas Lighting⁵ as saying that many gas managements were taken by surprise and that the eight hour day was unknown to them. It would appear indeed that managements were unprepared for industrial action although it is hard to believe that they did not know about the eight hourday - which had been widely discussed in the trade press for many years.

Managements all over Britain conceded the eight hour system to their workers, for whatever reasons. The union had grown extremely quickly and workers in many gas plants throughout the country had been recruited and organised. Strike action continued throughout the summer and autumn of 1889 in several provincial works.

Once the eight hour day had been established in most works the Union began to organise around the equally old and tangled question of Sunday working. Requests for double pay for this began to be put to managements.

The Union leadership began to ask for the right to organise and recruit in works and also for the right to restrict entry to the trade by means of refusing to work with those who were not union members.

As has been discussed, the issue of public control in the gas industry was a very real one. Managements were aware that municipalisation was something which was being put forward by local authorities throughout the country. In London the newly elected London County Council had already commissioned reports on the public ownership of gas and water. Such moves were supported by politicians who often had the generalised support of union leaders - and, one presumes, of the membership. It was not unknown for local politicians to speak on the platforms of striking gas workers.

George Livesey was concerned with 'partnership' and had already related ownership to this through the sales of shares to people identified as 'consumers' and he generally put forward the view that control of the industry should be by those involved in it.

Livesey described the Union as an 'outside' body which wanted to get illegitimate control of the industry. In wanting control over workplace practice the Union was exercising a demand for a right which it should not have had. Livesey saw the union subverting his workforce, not as a legitimate grouping of South Met. workers seeking to control their own working conditions. In Livesey's eyes the legitimate workers organisation was the co-partnership committees set up by management.

Nevertheless it was Livesey who forced this argument on control while union activists merely referred in speeches to control through the London County Council; he asked what the reasons were behind specific demands of the union.

In June 1889 managers at individual London workers were approached on the subject of the eight hour day by Union representatives.⁶ Delegates from the Old Kent Road and Rotherhithe works reported to Gas Workers Union delegate meetings; at Rotherhithe they had been received favourably by management but it was not thought that eight hours would be possible at the moment - men were scarce. At Old Kent Road things were more encouraging - they were received favourably and told they must act in a straightforward manner.

Delegates from other companies had sometimes done less well - at Poplar works they had been 'talked to like a lot of babies in long clothes'.⁷

On 19th June the South Met. Board minuted that a deputation of men had attended the old offices to discuss petitions concerning the eight hour day and on 26th June a notice went up at the various works of the company announcing possible changes in the shift system and asking men at each works to decide among themselves which system - eight or twelve hours - would be preferred by a majority of men there.⁸ The Company said that working practices would be made as universal as possible throughout the company although this might mean lost privileges at some works - the company was in many ways still rationalising working practice between the three amalgamated companies. It was also made a condition that regular men would in future be required to give a months notice to leave.

Justice reported on this solution at the South Met. with satisfaction and as 'crowned with success'.⁹ and noted that men working the eight hour day would also receive an unasked for pay rise. This regularisation of working practice was probably not unwelcome to the company but the institution of the eight hour day throughout meant a considerable expenditure on increased wages and additional workers.

Throughout the rest of the summer and early autumn of 1889 the union continued its programme of local meetings - including some within South Met.'s area but attention was in the main focussed on the concurrent dock strike.. In the works the Union concentrated on recruitment - Livesey later reported to the Proprietors of the

Company that during this time 'a determination was shown to persuade, and if that failed to compel, every man in the Company's service to join the Union.'¹⁰

Livesey reported that on the 5th September the Union had written to the Company saying that 'in effect' only Union members would be allowed to work.¹¹ Following this letter some stokers were sacked at Vauxhall and a mass meeting of retort house workers was held there and, before a meeting could be arranged, Livesey said, - strike notices were handed in at most of the works. However, - "Mr. Livesey stated his willingness to recognise the Union and apologised for some remarks made in a speech of his."¹²

Labour Elector published an agreement signed by both management and Union. It stated that the Company would not interfere with Union men by consequence of their membership and that in the same way the Gas Workers Union would not interfere with non-Union men. This agreement was hailed as a victory but in its very next issue Labour Elector had to admit that 'in the excitement of the moment' an important clause had been omitted from the agreement - this clause being the one giving the Union rights of recruitment and rights to refuse to work with non-Union labour.¹³

This clause was the one on which victory should have been based - without it the agreement was toothless and it is incredible that any negotiating body did not notice that they had signed an agreement which did not include it. Livesey was a skilled and experienced negotiator and many of the Gas Workers Union Executive may well have been illiterate but Livesey must have been encouraged by this

oversight. He had appeared to agree to recognise the Union this time but in future he would have no more dealings with them and made preparations to confront them.

Despite the hollow victory, Will Thorne hailed the re-instatement of the men at Vauxhall as a demonstration of the strength of the union.¹⁴

On 11 the September the Directors minuted that:

' the above named Union or its members cannot be recognised and that it will not be allowed to interfere with the conduct of the company's business also that non-union men will be preferred and will be protected against intimidation'. 15

They then began to make preparations for a seige in anticipation of a future strike. As Livesey later reported to the Proprietors

" at every station buildings available for sleeping accommodation were inspected and arrangements were made to supplement any deficiency with Humphery's iron buildings and in addition six steamers were provisionally chartered - a contract was made with Messrs. McWhirter to provide bedsteads and bedding - advertisements were printed and the Chairman called upon the Chief Comissioner of Police'. 16

Labour Elector noted carpenters and joiners fitting up beds and a dining room, and agents being despatched to different parts of the country to procure men.¹⁷

The Union continued to hold mass meetings and demonstrations.

South London Press¹⁸ reported, among others, a meeting on Peckham

Rye with banners from Rotherhithe and Bankside in support of the

dock strike and in order to campaign for an eight hour day. Meetings

reported in the South Met.'s area were mostly held on Peckham Rye or in Deptford Broadway - there is little about meetings in Greenwich or near the giant East Greenwich works. Some meetings were held in Woolwich but these were to attract workers from the Government owned works in the Arsenal - the two private Woolwich works acquired by South Met. had long since been closed down.

In early October the Union began to press for double time on Sundays and on 4th November representatives of gas company managements from all over London met Union members for discussions on the subject at the Cannon Street Hotel.¹⁹ George Livesey did not attend but his brother Frank - by that time Manager at the Old Kent Road works - went, but is not reported as having spoken. The meeting proceeded to some measure of agreement - both sides saw the need for recreation for the workforce and agreed that technical problems caused difficulties in maintaining a reduced workforce on a day when demand was peaking. The Union representatives agreed to ask their membership to consider a compromise for some reduced hours and double pay in return for a shorter working day and the meeting broke up to re-convene a week later.

Meanwhile - and the exact date is a matter for discussion - Livesey introduced his profit sharing scheme. He gave, in later years, various dramatic accounts of this. He had been in Eastbourne, with his wife, and thought to walk the last stretch back through New Cross. Walking on Pepys Hill, and thinking what a fine public park it would make,²⁰ he reached the works and was told that the union had given them until 4 p.m. for an answer;

'I had not thought out anything and I cannot explain how or why this thing came to be but in a quarter of an hour on half a sheet of paper the scheme was set out in writing and when the Board met was submitted to them'.²¹

The first time the scheme is mentioned in the Company minutes is on 6th November and Will Thorne knew all about it at the re-called Cannon Street Conference on 11th November. Three years later Livesey told the Royal Commission of Labour that it was introduced on 30th October - although a Board meeting was held that day there is no mention of it in the Minutes.

This discrepancy over the date of the announcement of the scheme is crucial if we are to determine whether or not Livesey introduced his scheme with or without the Board's knowledge. As we have seen Livesey had nourished plans for 'participation' for many years and had always been thwarted by the Board - did he use the impending strike to get his pet scheme through in a time of crisis? Conversely, if it is to be argued that the scheme was introduced only to strike break as part of concerted action on the part of the Board - why should he have brought it in behind their backs?

There are a number of interpretations of Livesey's timing, R.A. Church puts forward the standard argument in his article Profit Sharing and Labour Relations in England in the Nineteenth Century²². He claimed that the scheme was set up 'to forestall a strike for higher wages'. This theory is echoed by Perks in Real Profit Sharing²³. Discounting the fact that higher wages were not an issue in the strike this does not explain in what way a strike could be forestalled. He does not mention the preparations for seige conditions in the works and other strike breaking measures and is also implying that Livesey hoped that the profit sharing scheme would substitute something more attractive

than anything which the Union had to offer. Outbidding the Union - a situation which Hobsbawm also attributes to co-partnership schemes - is a dangerous game in that the Union will then be forced in its turn to put something more attractive forward. Livesey was a skilled negotiator who would be aware of the dangers of escalation - what he wanted was to be rid of the union, not to bargain with them.

It was already being said 'we only had to ask for gold watches²⁴ and he would have given them'. Livesey was known as a local philanthropist and some were thinking that whatever the men asked for they would get.

Clegg, Fox and Thompson are more explicit in their comments on the strike in a History of British Trade Unions since 1889²⁵. Their chapter heading under which the strike is described is "The Counter-Attack Begins". This heading indicates that nature of the chapter - they describe the employers who answered tough strike action with tough retaliations.

The plans which Livesey made for strikebreaking are outlined and the statement made "Livesey brushed aside attempts at mediation". Although they imply that the Company was determined to fight the Union whatever the circumstances or results, it is not said that the profit sharing scheme was in itself an attempt to 'forestall' union action and no attempt is made to explain the scheme or to say why it should be more attractive to the men than the Union.

Only the scheme's potential as a method of strike breaking is put forward - but with no explanations as to why this should be so. Their account doesn't indicate what profit sharing was supposed to achieve or that it was in fact anything other than part of a package of strike breaking measures.

Bristow's article on Profit Sharing, Socialism and Labour Unrest²⁶ enlarges on this argument and concedes that Livesey's previous interest in profit sharing 'dated back to 1882 when he had failed in quieter times to persuade the Board of Directors to introduce co-partnership'. He does not elaborate on this past allegiance of Livesey's nor give any reason as to what happened in 1882 and why whatever was put forward was rejected. He quotes only Livesey's statement to the Royal Commission of Labour;

'it was to retain or to obtain the allegiance of the working man which was fast passing away ... under the influence of the Gas Workers Union'

to explain the setting up of the scheme.

Each of these interpretations seem to omit some dimension of the arguments about the scheme and why it was inaugurated at that particular time. Each historian puts forward a fairly simple view that the profit sharing scheme was in itself inherently attractive so as to be a substitute for whatever the Union had to offer and that it might, in some way, win back some of the 'loyalty' to the company which Livesey saw as having adhered to the Union.

These historians do not explore the scheme and its complications to see if there could be any simpler alternative if 'outbidding' was what was needed. They do not explain why Livesey should have wanted to introduce it - strike breaking arrangements alone would be a more obvious way of dealing with the Union. They do not answer the all important question - why this scheme now?

A rather more substantial account of the strike is put forward by Joseph Melling in his very detailed account of South Met. and its relation to welfare benefits.²⁷ He acknowledges the long history of welfare work in South Met. - but without reference to Livesey's previous interest in profit sharing schemes. He presses home the point that the strike was provoked deliberately by Livesey and his co-directors.

"Livesey and his fellow directors intended to press the profit sharing scheme as only one of the whole range of carefully planned strategies

..... the immediate effect of the proposals , as the Board had foreseen, was to divide the workforce and particularly to isolate the solid body of activists'.

He also makes another point; that strike breaking arrangements were well in hand before the scheme was announced. He says that once these were completed

'only then did Livesey propose the possibility of using the scheme to 'conciliate' the men'.

This puts both strike and scheme in a different perspective
- the scheme used as a mechanism to divide the workers and
against which some elements must react.

*"The GWU would have no official status (on the
Co-partnership Committee) when the Company
refused to withdraw the scheme the Union was
forced to declare a strike".*

With careful strike breaking arrangements implemented, the
Union would be smashed and the Company in control again.

This theory of carefully orchestrated plotting does at least
try to answer the central question. However, it still ignores
the dimensions of Livesey's many years of pushing profit sharing
schemes, Would somebody who had spent the past twenty years in
advocating a system use it in order to strike break? More
likely is the idea that it would be the last minute saviour - to
take the opportunity occasioned by an emergency to use it.

The Board had always been against Livesey's plans for profit
sharing schemes. Years later Co-partnership Journal²⁸ reported
that on one occasion in the past he had put a scheme forward and
been told by a Director

*'that he had been in favour of the co-operative
principle in his younger days but had altered
his opinion and by another that it would make
the Board the fifth wheel of the coach and this
would not do".*

It is true that the composition of the Board had changed since then - Livesey himself was a member. Gradually the older directors were being changed and replaced with people who would be Livesey supporters - indeed carefully chosen by him. Livesey could not however control a majority on the Board as will be seen in the struggle for the employee directors.

What did Livesey hope would come out of the scheme? He surely could not have thought that it would immediately stop all strike action. He would have known that any such scheme would only be successful on the long term, particular in the matter of detaching men from the Union. Only the agreements could have acted in the short term. These had to be signed by those workers who were participating in the profit sharing scheme and meant that men had to sign to say they would give a month's notice - preventing mass handings in of notices. Livesey himself said in later years that even this would not stop a determined body of men from going ahead and leaving work.

On 18th November a large meeting was held with delegates from all the Company's works to explain the profit sharing scheme to those men who had already signed the agreements.²⁹ Livesey said at it

'to speak quite plainly the Company intends to have some protection out of it.'

This statement is the most explicit one possible to the men that the signing of the agreements was built into the scheme in order to persuade men not to strike. It made the profit sharing bonus conditional on this.

To quote Melling Livesey had switched the argument 'with brilliant strategy from one about pay and hours to one about profit sharing and bonuses'.³⁰. In fact the argument had switched to one about individual liberty, control in the workplace and ultimately about control of the industry. It was on these lines that the discussion continued on into the dispute and it was on these issues that the strike was called.

There can be no simple answer as to why such a scheme was introduced. It is easy to argue that Livesey had always wanted it and so took his chance in an emergency to get it in past the Board, but this could not realistically have changed the situation with the Union overnight. A strike could not have been forestalled that easily and men must take time to decide on which side they would be better placed. They would have needed proof that management could keep its promises of something better than the Union could provide.

Short term measures to withstand a strike were taken and the Company laid up the works as for a seige, recruiting alternative workers and at the same time signing up as many men as they could to a binding agreement. Thus the battle against a confrontation

grew. Does this mean that Livesey deliberately provoked the strike in this way? He certainly told the 'loyal' workers at the 'Interview'

'the public will think that it is better for us to have to put up with some inconvenience or a short supply of gas for a few days than to have the price permanently raised'. 31

So far as the Union had asked only for what the Company had been prepared to give - eight hours, Sunday overtime - but they were now trying for control over recruitment in the workplace and this Livesey was not prepared to allow. By bringing up the old issue of price Livesey was also touching on the question of control.

A week after the scheme had been announced the Union said that they would 'enforce Rule XVI' which concerned union recognition. The Company replied that the Union could not be recognised and added that non-union men would be preferred and protected. The press began to report increased protest meetings. At one of these, for example, Will Thorne said;

'those who signed the agreements were cowards, tyrants and curs'. 32

On 2nd December the Union asked for the removal of three retort house workers at Vauxhall who had signed the agreements and on 4th December the Board received a resolution which the Union had sent on to the daily papers. It read:

" That in the opinion of this meeting ... men who have signed the bonus scheme brought out by Mr. Livesey whom we look upon as blacklegs to our Society, is condemned by us as unjust, unfair and must be resisted and that all the men in the South Metropolitan Gas Works are justified in giving in their notices forthwith, until the same be abolished and the said men removed from the works³³ and that a copy be sent to the Directors.'

the next day a correction to the resolution was sent out by the Union; it should have read "or the said men".

By noon on 5th December 2,000 notices had been handed in. It must be made clear - and indeed was vital to Livesey's arguments against the 'old' workforce - that this was not actually a strike, although it is always described as such. "Strike" is a convenient shorthand term to describe the events in South Met. in 1889, and 'to strike' was the intention of the Union men, if not the actual actions. Under the Conspiracy and Protection of Property Act it was, of course, illegal for gasworkers to strike and so it was necessary for them to give a week's notice to terminate their employment and so the employers had a week's notice of cessation of work. The employers could further argue, and did, that there was no need for them to negotiate with the Union - men had legitimately and legally left their jobs, they had legally and legitimately filled them with new workers. The fact that the men had all left together was unfortunate but irrelevant, once they had given their notices in they had no further claims on the Company nor it on them.

The men leaving the works were paid the lump sum due to them on their superannuation payments and it was on this that many were to live during the coming weeks.

As they left the works a force of replacement labour was marched in under heavy police escort and with some drama.³⁴ The Union believed that the strike had been forced on them and published their manifesto which explicitly stated that the bonus scheme was designed to curtail the liberty of their members.

As the new men marched in the works were picketed. To some extent the old men had sabotaged what they had left behind. Four days earlier it had been reported that 'unionists' had broken into a store at Greenwich and thrown blankets into the Creek. It was remembered later that a lobby had been set on fire at East Greenwich and equipment left set to give the maximum amount of leakage. An effigy of Livesey was burnt outside the Pilot - a pub just outside the East Greenwich gates.³⁵

Substitute labour had been recruited over previous weeks. Some of the new men had come from areas like Cambridge and Sittingbourne where gas workers traditionally spent the summer and were areas of recruitment in normal times. Indeed the Company claimed that it was to some extent recruiting normally to cover a winter shortfall of labour. South Met. had sent out recruiting agents to many other areas and men came to London looking for work having either heard of the vacancies themselves or having been sent by relieving officers. Agents held meetings of unemployed men to recruit them as workers. For instance at Ramsgate where the meeting was followed by a letter of complaint from the local gasworks manager - his stokers had all been signed up by South Met.³⁶

The use of 'free labour' in this dispute has been widely described. It is important to note that these replacement men who marched into the South Met. works in December 1889 were not necessarily adherents to the 'free labour' movement as described by activists in it - like Collison.

John Saville in Trade Unions and Free Labour emphasises that free labourers were

'all those who wished to make their own independent contract with their employers regardless of the₃₇ trade-union position'

Many of these men (like those at Ramsgate) probably knew nothing about the issues in the South Met. dispute and only hoped to better their own positions.

Some accounts of the strike refer to labour being recruited by 'labour agents'. Some of these were just South Met. officers who had been seconded to find substitute labour in various parts of the country. Others were independent contractors recruiting what they described as 'free labour'.

The most prominent Free Labour activist in South Met., C.Z. Burrows, who was Vice President of the Free Labour Association in 1896³⁸ had worked for South Met. as a blacksmith since 1883. It is not necessarily true that because new men were recruited to strike break that they were conscious strike breakers - or that they understood the issues involved in the strike, which were not straightforward.

Some years later, John Burns talking to a mass meeting about free labour, said that Livesey 'dropped them like a hot potato'³⁹ and it seems that some men recruited through 'labour agents' were sometimes those classified by some as 'undesirables'. Speakers from Union platforms complained, among others, about a contingent from Birmingham who had come for work, not been taken on and then proceeded to cause trouble. Police court reports list a number of convictions on drunk and disorderly charges among sixteen-year-olds with Birmingham addresses.⁴⁰ These convictions were all in the Rotherhithe area and the Union claimed this as the 'undesirable element'. There can never have been much question that the Company would not have taken on sixteen-year-olds for retort house work and it is difficult to know what they can have done to have shocked Rotherhithe!

Union pickets had some success in persuading some of this replacement labour to go home by offering fares but the press carried other stories of men who had come enormous distances to South Met. and not been taken on. Some of these men were driven to the local poor law institutions and to police cells.

Will Thorne and other union leaders were not in London for the start of the South Met. dispute. Industrial action in Manchester required their presence and at the same time provided a background to press stories which gave a picture of escalating industrial action throughout the country. Such stories could only lead to increased

pressure from managements like South Met. determined to stay in 'control' in the workplace.

X Seige conditions prevailed in South Met. works. Replacement labour learnt the work, were fed and bedded by management and were paid a bonus for it. Rumours soon began to spread that they were mutinous, starving, and infested with lice and disease. Some men were injured through inexperience. Heavy fog and freezing conditions meant demand for gas was high. Pressure and quality fell and stories of how 'Jumbo' the giant gas holder at East Greenwich was pumped full of air to reassure the public, spread.

'Public concern ' was expressed by the press concentrating on the supply of gas. Times felt that;

"a majority of people regard this strike as unreasonable and tyrannical". 41

and they pointed out difficulties which, they said, the public had in sympathising with a striking workforce which were well paid and had downed tools to inconvenience the public on a point of principle.

Other press comments reflect a mix of views about both strike and scheme The Standard had little difficulty in putting forward a conventional view which agreed with the Times'

'The Directors of the South Metropolitan Gas Company are doing their duty in determining to resist this demand". 42

and the Daily News was equally quick to condemn the Union;

"the unions will do themselves more harm than the employers" 43

But the Daily Chronicle was also quick to condemn the 'leftward' ideas in the profit sharing scheme;

'Mr. Livesey should leave well alone and keep his profit sharing scheme for consumption at a Toynbee Hall meeting'. 44

45

The Star however offered a more detailed critique of the scheme

In an Editorial of 5th December they pointed out that the cost of gas is mainly based on wage and coal costs. Coal prices were out of the control of gas company workers, and therefore could not be influenced by them to bring gas prices down and raise their bonus. On the other hand if their wages rose, gas prices would rise and their bonus would be affected. They saw the whole scheme as an attack on the union and

'we wish the gasmen every success in defeating an impudent attempt to impose upon them'

Predictably more press outlets shared the views of the Times rather than that of the Star - as in St. James' Gazette 46

'we hope that the general public will support the gas company'.

The trade press was able to offer more detailed criticism of Livesey and the scheme. Gas World 47, ever against Livesey, was now quick to condemn the profit sharing scheme describing it as 'specious' and Livesey's behaviour as 'machiavelism'. They said that the officers in the besieged works were being fed on lobsters. Other critics, however, had also pointed out the supply of beer going into the works for thirsty men - despite Livesey's well known temperance advocacy.

Local papers were less eager to criticise gas workers who could well be purchasers of their papers and local authority voters. South London Press described the strike committee as

'a fine intelligent body of men' 48

and ran a flattering profile of Will Thorne together with a picture.

South London Press also reported a request of Livesey's for help with board and lodgings for replacement workers to a local workhouse. The reply was 'do you think that this is a common lodging house' and indeed the Vice-Chairman of the Lambeth Board of Guardians was currently speaking on gas worker platforms. 49

Activists in local political parties gave some verbal support. Kennington Liberals had, in June, passed a resolution of support for the gas workers and this was followed by Dulwich and Penge

Liberals who passed a resolution against police brutality towards strikers.. 50

In order to support the strikers The Star was urging working class consumers to burn of large amounts of gas in order to help deplete supplies. They also suggested that ratepayers be encouraged to summon the Company for an inadequate gas supply. 51

This move was attempted in Bermondsey where a deputation to the local vestry was led by Harry Quelch, the SDF activist. He urged that body to sue the Gas Comany for breach of contract by reason of the poor quality of the gas. He was backed by a Vestryman, Dr.ESmonde, who said that the poor light was seriously affecting the eyesight of his patients (laughter). It was decided that the Vestry should write to the Company concerning this breach of contract. It was however, then pointed out by officers that they had no formal contract with the Company - only an 'understanding' and that any sueing would have to be done by the County Council. 52

It is, therefore, probable that the gas workers enjoyed considerable support in South London and where local authorities needed to look to their support as local residents. Gas Companies need the support of their shareholders. Local authorities need their voters.

The 'other' London Gas Companies (including some more readily described as suburban) met again at the Cannon Street Hotel on 17th November with the Union leadership. 53

This meeting concluded with a large measure of agreement.
- so much so in fact that the Gas Workers' manifesto
published on 7th December was able to say

*' they would always be indebted to the kind
consideration shown in every possible shape'* 54

by the 'other companies' and in particular by
H.E.Jones, Chairman of the Commercial Company, who
they quoted as having said to them;

*'your interests are our interests; we cannot
do without you.'* 55

While the Union

*'devoutly wished for the peaceful working
of the men so admirably put by the Chairman
at the Cannon Street Hotel'.*

Jones himself wrote to the Times on 9th December
to point out the benefits that Livesey had brought to gas
workers in the past and regretting what was obviously a
misunderstanding on all sides. What the Union should have,
he said, was 'attention and respect' and he pressed the
right of the men to combine. This was followed on 31st
December by another letter from Jones who was now

*'overwhelmed by the virtues of the strike
committee'* 57

Obviously both the 'other companies' and the Union were anxious that the dispute should not spread beyond South Met. Commercial Company had never been at loggerheads with South Met. in the way that Gas Light and Coke had been and it may well have been that H.E.Jones hoped to effect some sort of reconciliation between both parties. In any case he was concerned that his own company, which did not have the sort of reserves that South Met. did to spend on strike breaking, did not involve itself in an expensive dispute.

The Union must have been concerned that places in other works were kept open to provide alternative employment for its men. In the depth of winter other London companies could well be in need of experienced stokers. Nonetheless the amount of goodwill between these 'other companies' and the Union is surprising considering the strike was taking place only a few miles away on the other side of the river.

As the gas supply produced by South Met. began to improve the Union began to flounder and in its published statements began to modify the terms on which men would return to the works. The Company continued to ignore them - pointing out that the men had left legally and that there was no dispute. Men could return if they wished; when vacancies arose.

Throughout the dispute a series of would-be mediators emerged, all dismissed as meddlers by Robert Morton some months later. ⁵⁸ Two local Members of Parliament, Causton and Beaufoy, put themselves forward and at the same time a group of non-conformist ministers approached the Company, followed by a local Church of England vicar. ⁵⁹ Towards the end of December a rather more persistent approach was made by two members of the Labour Association - the organisation concerned to promote the cause of profit sharing. ⁶⁰

Anxious that their cause might be thrown into disrepute by too close a proximity to strike breaking they hoped to find a solution. However, Ivimey and Greening were no more successful than the churchmen.

It must be kept in mind that although the Gas Workers' dispute was given most space in press headlines at the time, they were supported by a concurrent strike of the Coal Porters Union under the leadership of Michael Henry. This was a potentially bigger affair because the Coal Porters covered much more industry than the Gas Workers and could paralyse more generally. Through them the dispute spread to the Tyne where Henry went to persuade colliers to black ships bound for South Met. works in the Thames and through this the Sailors and Firemen's Unions were involved. Ships on the river were picketed and some crews taken off. ⁶¹

This part of the dispute involved a Conference at the Mansion

House with Cardinal Manning and other 'self appointed meditators". Livesey dismissed this Conference, saying that such people had no understanding of the dispute nor of the conditions prevailing in industry.⁶²

Another concurrent strike took place at the Government owned Arsenal gas works. The men came out on the eight hours issue and led to questions about their conditions being asked in Parliament.⁶³

The Gas Workers Union were aware that they could win with the help of other unions and as early as 1st. December speakers on their platforms asked 'whether the trade unions of England would allow them to be defeated?'⁶⁴ By 21st December they had put out a statement saying that while they could not accept the agreements

'we cannot forget the attachment that we feel to out old employers ... and nothing would give us greater satisfaction than a return to our previous relations'.

65

While the leadership made statements like this to management the kind of rhetoric emanating from mass demonstrations was beginning to sound increasingly hollow.

One such speaker threatened Livesey's life, to be condemned by all sides.⁶⁶ By 25th December speakers were threatening to bring out the men at the Beckton works. They did not do so and once other branches of the Union did not come out in sympathy there was no hope that South Met. men could win the dispute. South Met. was making gas for their customers; the Union members were all out of work - all they could do was to try and persuade Livesey to take them back.

'Mr. Livesey had said if the strikers went back to work they have to go back for twelve hours - they had come out for eight hours and would go back for eight hours and the dignity of Englishmen would not let them do anything else. They were not going to creep and crawl to Livesey for work...' 67

This is all fine and stirring stuff. Even Will Thorne must have known that they had not come out for eight hours but for the right to organise - and that they were in fact already creeping and crawling to Livesey for work.

Other trade unions had not really rallied round. A meeting of unions at Mile End advised the Gas Workers to go to the London Trades Council and get them to sort out some kind of settlement. The Hatters (800 in number) agreed to a weekly levy of 1/- per man and the Glass Blowers pledged £5 a week. This help was intended to keep the families of 3,000 Gas Workers. Hugh Brown said that;

'he could not blind himself to the fact that trade unionists throughout England had not rallied to give them aid' 68

and Harry Quelch said he knew why..

'the trade unions had too long been the aristocracy of Labour and cared no more for the Gas Workers in their struggle.... than if they had been the red indians.' 69

Nevertheless the rhetoric continued

'The public does not seem to grasp the meaning of the strike ... they did not want more money ... the fight was for liberty to combine and freedom'. 70

Losing sympathy on all sides, the Gas Workers went to the London Trades Council who co-ordinated a meeting between them, the Coal

Porters, and the Sailors and Firemen. Some sort of agreement was drawn up. The strike was called off. They said that the Company had agreed to return to an eight hour system and to take men back if and when vacancies occurred. The Union added that they hoped the Company would take back men with families first. ⁷¹

The effect of this was lost with Livesey's letter to The Times explaining that a ballot had been held at the various works on the subject of the shift system and that men at most works had voted to go back onto the eight hour day. If the twelve hour system was to remain it was because the workers had voted for it themselves. He was quite happy, he added, to take back old workers - he had indeed already taken many back. Unfortunately spring was coming and vacancies would be few. ⁷²

If this was an agreement it was of the most humiliating sort. Livesey did not have to agree to anything - he had already implemented most of its clauses, or said he had. The strike had gained nothing but a lot of destitute ex-gas workers. The strike headquarters now became a welfare agency distributing charity to those without work. It was soon to be visited by Livesey with a donation.

The Union had instigated the strike with more rhetoric than finance. The 'big names', men who had led successful strikes and becoming known as Labour leaders - Burns, Tillett, even Thorne had kept well away. The strike had been entirely run by local branch members.

They had come out on an issue not readily understood by the general public and not easily sympathised with even by people who were committed trade unionists. They had engaged in strike action involving thousands of workers needing strike pay with virtually no reserves and dependent on other gas workers and street collections. Because they depended on other members of the union remaining in work they were not able to call them out and cripple the entire industry in London. They had initially prevaricated, not come out while the Company was unprepared. They had given the Company time to prepare for a lengthy strike and then given a week's notice. They had also taken on the only gas company with any reserves - and those reserves were very considerable. They had continued to persuade striking workers that they might win, even though the situation was hopeless, with a degree of drama and rhetoric that had no relation to reality. Their optimism and naivety was astounding and a contributory reason to the decline of the union within the next few years must be the disillusionment of ordinary workers with them.

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THE CO-PARTNERSHIP SCHEME

'We humbly submit that if no idea was entertained by you of breaking our union a more successful scheme was never promulgated to accomplish such an unintentional result'.

So said Mark Hutchins, Chairman of the Gas Workers Union, about the profit sharing scheme set up by Livesey. At this stage, perhaps, the scheme itself should be explained and the objections to it examined. Why did George Livesey think that it would both answer his aspirations for the South Met. and at the same time destroy the Gas Workers Union?

The 1894 Report to the Board of Trade on Profit Sharing gives a detailed description of the scheme as it was originally proposed - a few amendments were made during the period between the announcement of the scheme and its implementation; these will be discussed later.

The bonus was paid in exactly the same way as the shareholders' dividend under the sliding scale. It was based on a relationship to the price of gas. When the price of gas was not above a base price (in 1889 3/6 per 1,000 cubic feet) the shareholders received a dividend of 10% and this dividend was lower if the price of gas rose. In the same way the employees received a dividend of 1% on a year's wages for every 1d. the price of gas fell below a base price of 2/8d. (the actual price of gas charged by South Met. in 1889 was 2/3d. per 1,000).

All those who had signed the agreement within the first three months were given a 'nest egg' - that is a sum of money equal to the amount that they would have had had the scheme been running for the past three years, plus 4% interest.

In order to get both bonus and nest egg, workers had to sign an agreement to work for the Company for twelve months at 'the current rate of wages' the Company guaranteeing that these wages would not be altered in that time to the disadvantage of the men. The nest-egg and half of the bonus was not to be withdrawn and spent by the men for a period. This period of time was to be the subject of subsequent discussions between the Company and the newly formed Profit Sharing Committee. Exceptions would be made in the case of death or retirement but it was to be totally forfeit in the case of strike or 'wilful injury'.

In this way the workforce was linked into the sliding scale in the way that Livesey had suggested fifteen years earlier. It immediately gave an incentive to workers to lower the price of gas. Livesey had said in 1882 that

*'if they were to get the men to work heartily
and thoroughly the men must have the motive
of self interest'. 2*

He felt that if this motive could be brought to bear on all who had any influence on the prosperity of the Company 'it would be a good thing'.

In his address to the professional gas institute in 1882 Thomas Travers had suggested two ways in which workmen could influence the Company so that the price of gas might be lowered - they could watch every outlet of waste and 'constant effort would be made by all to popularise and extend the consumption of gas'.³ Indeed the most immediate impact of the scheme, according to pronouncements made by Livesey, were the instances of workmen adapting existing practices in order to save the Company money. Prizes and awards were instituted whereby members of the workforce were encouraged to act as salesmen for the Company not only for gas but also for appliances - a sales effort directed at the growing working class custom in South London.

It is very difficult to discover how far this scheme is a replica of the one set up in 1886 for the Officers of the Company. The Minute Books merely say:

' that in the event of the profit on the years' working being sufficient after paying interest on the debentures and bonds to pay a dividend of not less than 14% on capital for the year a bonus on the following scale will be paid'. 4

Although alterations were made to the scheme in successive years, it is not clear if it was overtly tied to the sliding scale. It is most probable that Livesey had not managed to get the Board to completely agree to the whole workings of the scheme.

As indicated earlier, Livesey claimed to have thought up the whole scheme in a quarter of an hour - but the scheme is so intricate that it rather bears the imprint of years of gestation.

The scheme was announced to the men in late October or November and as many as possible were encouraged to sign agreements. On 21st November a meeting was held in the Board Room at Old Kent Road of delegates of those workmen who had signed the agreements. Representatives of the Union had been invited to attend as observers, but none came. The proceedings of the meeting were taken down verbatim and circulated later to the men. ⁵

The meeting began with Livesey explaining some current difficulties in working - of a practical nature concerning the price of coal. He talked about the threat from electricity and eventually came to the stokers' demands. They were now asking for double time on Sundays, but 'the orange has been squeezed dry'. He went on..

'now the time has come when it is necessary to have something more than the mere labour of the workmen. - we want his interest and we want to give him a share of the profits earned by the Company in order to purchase that interest as well as his labour'.

He dealt with objections already raised and pointed out areas in which the Company was still undecided. Some of the delegates raised points themselves and entered into the discussions. Most

of them were on items which worried the men; was there any way by which they could be deprived of the bonus; were they doing the right thing in trusting the Company in this way? Men were afraid that small misdemeanours might deprive them of the bonus and had been mandated by those unable to attend to ask various questions about this. They were also concerned to make suggestions about the future of the scheme and point out other ways in which the workforce might be benefitted. Henry Austin, who later became an employee director, was moved to recite poetry - but also to ask the Company to consider a share purchase scheme for employees.

The major part of the discussion concerned the agreements. Men had to sign to work for twelve months and to remain sober, industrious and able to do their work. They must serve in whatever capacity the Company wanted, and obey the orders of the foreman. Obviously the sting was that strike action would become impossible because of the staggered dates of notice - hence the Union's objections that

*'there would be at no time more than a few men
at liberty to take any combined action of any kind'.⁶*

Workers were, however, given job security through these agreements - they worked both ways. One of the men at the "Interview", Skinner, said:

'it appears to be a good guarantee to me, by signing the agreement the Company guarantee to find me employment for the next twelve months'.

Such a guarantee was a valuable thing to a weekly paid labourer. Many other detailed points worried these 'loyal' workmen.

Objections were raised to the clause about obeying the orders of the foreman - suppose the foreman was acting unfairly? Livesey answered

'it is not our policy to support any foreman if they practise hardship or injustice'.

No doubt Livesey meant this - he had never worked under a foreman to know the pressures involved.

The men persisted:

'there may be a certain class of man who cannot satisfy the foreman and if a man who does not like to go tittle tattling thinks to himself that he would like to leave ...'

If a man left in this way, would he lose all his bonus? They were assured that all the bonus would not be lost - a man would leave with all that was owed to him.

Another point which worried the men was the clause saying that they had to agree to perform in 'whatever capacity'. That meant they could be shifted from job to job. Suppose it was work that a man could not do by reason of his strength or skills - would he then be sacked. Livesey answered;

'what we would expect in an emergency is what any of us would do ourselves - we would lend a hand to do anything. If a man was not suitable for one sort of work and said 'I cannot do this or that but I can do this and I will do it with all my heart' - that is all we want...'

In other words what he wanted was 'loyalty'. This clause was objected to by the Union. They wrote to the Company pointing out that the clause would:

'damage the Union and be against its rules. Compelling coal porters in time of disputes to do gas stokers work and vice versa would break the rules of the Unions'.

Which was, of course, from Livesey's point of view, exactly the point.

The Union continued to point out that the Company could discharge all labourers except the gas stokers through the slack season and 'reduce the latter to the vacancies at reduced wages'. This point about wage reductions should jobs be changed was brought up at the Interview. Livesey answered:

'if a man's regular wage is 10/- a day and he is asked to do work which is usually paid at the rate of 5/- a day then he would have his regular wage of 10/- and we should give him something more.'

The Union then pointed out another possibility:

'the agreement does not bind the Company to a rate of wages as a class - at the date of the signing of the agreement'.

Thus, they thought, the Company could reduce all wages at the time agreements were re-signed.

Further discussion at the "Interview" was focussed on the clause in the agreements which read

'the money will be the absolute property of the men except in the case of a strike or wilful injury to the Company in which case it will be forfeit'.

Men asked, what did 'wilful injury' mean? Did it mean someone who 'should fall asleep at their post as they call it in the army?'. One man, a lamplighter, quoted how he had accidentally damaged some equipment in the course of his work - would this mean he would lose his bonus? Livesey agreed to remove the phrase 'wilful injury' - the phrase meant, he explained, incidents which could be prosecuted through the courts, they were very rare. Should a man have to be prosecuted in this way they would dismiss him, and he could keep his bonus.

Livesey was, however, not so accommodating in the part of the phrase concerning strike action. Men who struck would lose both bonus and nest egg. He was adamant in the face of protests:

'we mean that he would forfeit the whole of the money in that case standing in his name ... we want some protection'.

Objections were raised: one man, Jessie Day, said

"I think it would be very hard... if he should lose the whole of it".

Another said:

'If a strike turns up ... is he to lose the whole of it because that would not encourage the men to leave it in.'

Other men explained that the men they represented had specifically asked that the point be raised and made clear; others that it was a clause which was stopping many men from signing the agreements.

Livesey had asked a lawyer, Mark Knowles, to attend and it was he who suggested eventually:

'if it was understood that a man on joining a strike should forfeit what was owing to him for the last year'.

Livesey then agreed that the whole bonus need not be forfeit in a strike - but two years back would go.

Some changes to the original scheme were therefore made in the face of opposition from potential participants but money was to be kept in hand by the Company to dissuade its owners from strike action. The nest egg was to be kept by the Company, and the exact amount to be kept in hand was to be decided later. Livesey had put it to the meeting; how long did the men want it to stay in?

For five years, or for three? Many of the men said they would want their money at once, and others that three years would be better - no one supported five. The matter was left for the future profit-sharing committee to decide.

Men put up pleas of urgent need for the money - for when the children were small or in the case of long term sickness. Livesey countered all these arguments the Company had always covered extra sick payments to men whose illness went beyond the sick pay period; they would always lend money to men to cover unforeseen emergencies; there was no need for the accumulating bonus to be touched. Only one exception would be made

'there might be cases where a man would like to pay a deposit on a house'.

The extension of the scheme into property investment was to become a major feature of it in the succeeding years, as we shall see.

The Union pointed out

'it binds the labourer to work for five years'

and added, more sinisterly, that it was possible that after four and a half years of the agreements a new and different Board might be appointed after a Board Room coup and provoke a strike among the men in order to cheat them of their bonuses.⁸

There were two further points of interest in the initial draft of the scheme. One of these was the setting up of a profit sharing committee to manage it. This was to include an equal number of appointed management representatives and also elected delegates from the works based on the number of workmen participating in each workplace. The Chairman of the Company - Livesey - was to be the Committee Chairman and to have a casting vote. This Committee became increasingly important, as we shall see.

Another pointer for the future came from Henry Austin's speech requesting share purchase facilities for workmen. It is very probable that workmen were already buying some shares, if we are to believe the Chairman's accusation that Livesey was promoting this in 1875⁹. Livesey himself had raised this question and it is not impossible that Austin knew Livesey's views and was putting them forward. Livesey promised, publicly, to investigate the matter.

This then was the package of incentives and deterrents which Livesey embodied in the first draft of the scheme. It was a means by which, eventually, the workforce could be precisely controlled.

The Union saw it as a device to put them out of business - which it was. Livesey protested that he did not intend to interfere with the Union and indeed some men at the 'Interview' expressed their support for the principles of 'combination'. As Livesey saw it workers were perfectly free to give in their notices and leave South Met.'s employment. If they did he would replace them,

individually.

The scheme was complex and changes over the next ten years added to that complexity. Was the manipulative element consciously part of it in its setting up? Did management take advantage of the possibilities given to them as time went on? The scheme was amended and added to between 1889 and the First World War - how did these changes affect the workforce's relations with management?

In 1889 it was argued by the Union and by the press that the scheme had been instituted for strike breaking purposes - and this has been the popular view since. Livesey denied it. Despite his sharp comments at the 'Interview' - 'we intend to have some protection out of it'- nowhere else does he refer to an immediate strike breaking purpose. He continued to tell the men that the purpose of the scheme was to purchase their interest. The preamble to the rules say:

'to induce all employees to take a real interest in the work and to give a new motive for endeavouring to promote the prosperity of the Company'.

10

A more detailed analysis of his motives was given by Livesey in 1899 in a paper given to the Newcastle-on-Tyne Industrial Remuneration Conference. Having talked about the sliding scale and elements of partnership to be achieved through it with customers and shareholders, he continued ...

'two objects of equal importance have always been kept in view, to attach the workmen to the Company by giving them a direct interest in its prosperity beyond their salaries and wages, and to give them an opportunity to practise thrift and thus improve their position in life, to make provision for misfortune and old age. In short to enable them to lift themselves from poverty to independence.'

Thus the aspirations of the scheme can be first of all seen clearly in terms of Livesey's general thesis of partnership of the various elements necessary in the gas industry - capital, labour and customers. This is carried on to the idea that workers should be involved in the industry in which they work and that this could only be achieved through incentives making them not only partners, but willing ones. Because of their debased positions they must be helped to achieve that respectability which has given the middle classes a commitment to both the economic status quo and a more generalised patriotic ideal. If this could be achieved not only did the Company gain in having the 'loyal' workforce but the general political ideals of capital could be assisted in a group of workers interested in what is 'good for England' and could only re-bounce to re-inforce the position of independent gas companies.

The key phrase is 'attaching men to the Company'. The idea that they were to be merely prevented from striking is too limited. It has more to do with Livesey's interpretation of the changes which had come about in society and his methods of reconciliation. Livesey talked about 'the old friendly relations' when business relations between master and man 'were based on personal relations rather than

mutuality of interest'. Coupled with this analysis of changes in industry were his own memories of how South Met. had seemed in his boyhood - the small works on the edge of the city, the banks of the Surrey Canal overgrown with flowers and full of fish. To 'attach the men to the Company' meant to some extent a recreation of the relationships which he thought had existed in that smaller industrial world. But the initiative must come from the employers.

'it seems to be that the employers have to choose between the division of the industrial host into two hostile camps and partnership.' 12

This attachment which the workers should feel for the Company, said Livesey, must spring from a feeling of ownership - of investment in and partnership in - both the Company and the nation.

'the great weakness of this Country is that our great working population have no share in its vast accumulated property, discontent will grow until it becomes a real danger to the state'. 13

As London grew with its industries, gas companies were employing a larger and more diversified body of labour - rather than the small localised workforce of the 1840s. Many workers were seasonal with the uncertainties that that brought. George Livesey not only wanted to save the industry from strikes but hoped to make the workforce that God-fearing property owning elite which would have enough commitment to the industry to back it politically against municipalisers and be worthy participants in a community in which the gas industry was able to serve and to prosper.

As the scheme progressed and grew after 1889 it can be seen that its concerns fall into two areas - control of the workforce, the incentive to self discipline among them, and consultation.

From the start agreements could be used to select and control the workforce, the Co-partnership Committee could be used as a means of participation while holding control of the labour process firmly in management's hands. Later changes included the sales of stock as a means of further control through withholding privileges from dissidents. At another level of participation was the worker director scheme. Such means of controlling the workforce through welfare provision was becoming common in this period. Helen Jones' study of welfare provision between the Wars remarks on this and describes it as the 'principal motive behind employers' welfare schemes'.¹⁴

As we have seen, initially agreements arranged for a sum of money to be kept in hand as a guarantee of good behaviour and each employment was made a term of fixed contract which meant that the act of striking would involve both legal proceedings and loss of money. For many workers the risk of these penalties was well worth a guaranteed year's work with the promise of an additional lump sum.

In 1889 Livesey had been to some lengths to say that he was willing to co-exist with unions - 'he had not one word to say against unions which were properly conducted'.¹⁵

Will Thorne changed all that - or perhaps Livesey was looking for an excuse. In February 1890 Thorne made a speech at Plymouth. He said that the strike at South Met. was a failure but that next time the Company would not get seven days notice, the men would come out at once and risk the law. Livesey then said that he would have nothing more to do with an organisation which was prepared to break the law to further its demands. The agreements were changed and men thenceforth had to sign to 'say' that they were not members of the Gas Workers Union. The two unions banned in this way were the Gas Workers and the Coal Porters. Men were, however, not excluded if they had been members in the past.

In 1889 all who wanted to sign agreements were encouraged to do so but as time went on the granting of agreements to individual workmen as an incentive was used - they were not given to those of whom management, for one reason or another, disapproved.

In the first year of renewal agreements were refused to some men who showed a 'spirit of insubordination' and this policy was continued. In later years agreements were refused to those who 'showed a want of interest in their work' or, as Livesey told the workforce in 1906, through one of two reasons 'careless or indifferent work and selling stock by withdrawing bonus'. Refusal was thus a policy which gathered momentum - it became more progressively easier to be refused as time went on. In the 1890s refusal for lack of interest and insubordination had been extended to refusal for lack of thrift; by the 1900s it was extended to 'men who persistently

withdrew their bonuses or who sell their stock to outsiders - publicans or loan offices"¹⁶

Livesey explained that the granting of an agreement was one of the most important steps that could be taken against a workman and

'the control of agreements must be held by the Chief - it involves the question of absolute justice'. 17

These remarks were made in a lecture given in 1906 to fellow gas managers and he used as an example the setting up of a scheme in the South Suburban Works at Bell Green. No provision was made there to renew agreements discriminately and 'I was greatly disappointed'. Pointing to the carbonising figures he said that they showed how that if agreements were renewed selectively they 'improved' - thus showing his audience the economic basis of what had become not only an incentive system but a means of selecting only suitable workers. - 'if he gets no agreement his ultimate fate is to leave'.¹⁸

This course of action was, of course, criticised. In "Profit Sharing; a Vindication" Livesey described how he had been tackled on this question by A.J.Mundella during the course of a sitting of the Royal Commission of Labour.¹⁹ In order to demonstrate his point he had called together a meeting of the Profit Sharing Committee to discover their opinion of agreements;

'the earnestness with which they urged me not to interfere with the agreements in any way was almost pathetic - they are regarded as a privilege by the men'.

20

The value to the workers was of course in job security given by the agreements.

'I hope so to conduct myself and not to do anything to the detriment of the Company by signing the agreements the Company guarantees to find me employment for the next twelve months'.

21

The question must obviously be asked as to whether this method of controlling and selecting the workforce meant that militants were being deliberately weeded out.

Management said that grievances should be channelled through the means set up by them for that purpose. The Profit Sharing - later Co-partnership - Committee was set up after the "Interview". A consultative process was part of the initial plan. Livesey had said:

'the idea is that as soon as possible a Committee to be composed of equal numbers of workmen selected by themselves and Officers chosen by the Directors presided over by the Chairman of the Company shall be formed to settle all details'.

22

This Committee soon became a means of communication between Company and participants in the profit sharing scheme - in due course most of the workforce. Although its structure changed during the succeeding forty years - it included women during the First World War - it remained much as it was set up. Elected members retired by rotation and complicated rules ensured that a quorum must always include a majority of workmen. - together with the Chairman's casting vote.

It became customary for the workmen representatives to have a pre-meeting without the management representatives who, in any case, must never be in a position to outvote them.

Speaking in 1899 Livesey described its aims as more than merely consultative:

'it has been a powerful means of promoting mutual confidence and educating the men' 23

In his view men always accepted management's view if it was reasonable.

'if a request could not be granted the Committee had been told plainly and the reasons stated and always with the same result' 24

Thus the work of the Committee had two aspects - one consultative; the other the reconciliation of grievances. In the early 1890s Livesey had asked for the opinions - as we have seen in the instance of the agreements - and in time he enlisted their aid on political questions on which they could provide an effective lobby. Fay says

'it was the Co-partnership Committee which in 1897 settled and presented to the workers for acceptance the rules of the Accident Fund its most recent task has been provided by the National Insurance Act'. 25

Employers Liability legislation was a matter in which Livesey was concerned to lobby Government and the Co-partnership Committee members duly made a statement against the legislation and lobbied Parliament. Bodies.

Once legislation had been enacted the Committee took decisions on its implementation in the Company. In the First World War the Committee took decisions of principle on the way that war work was organised.²⁶ For example, they decided that men in the armed services still receiving full pay from the Company, should not get holiday pay but would get holidays when they got back; that death in battle did not count as accidental death in the Company's service for the purposes of the pension fund, and so on. In 1917 they allowed women workers to sign co-partnership agreements.

A more important day to day role of the Committee was in the reconciliation of grievances. Aggrieved parties were expected to take up their problems with their foreman or to their Committee representative. If a dispute could not be resolved through discussion and if it required a ruling on a matter of principle it could then be taken for discussion to the whole Committee. For example, whether Christmas bonus should be stopped if men reported sick after Christmas and how to discover if post-Christmas sickness was genuine illness.

A great deal of the Committee's work concerned disputes on pension and welfare arrangements - in August 1911, for instance, they backed the Company when compensation was not paid to an accident that had remained unreported for some months, and in September 1916 they backed the Company when an accident had taken place

while an employee was doing free-lance lighterage work. Often these rulings involved issues of principle. In February 1914 in response to a special case they ruled that a bonus could be paid by post if an employee requested it; in April 1905 they ruled that youths under sixteen could be admitted to the sick fund.

While Fay, writing in 1912 of an earlier period,²⁷ could say that 'topics such as wages and the cost of living would probably be ruled out of order' by 1918 such matters were discussed by the Committee - although management attempted to rule them out of order.²⁸ The First World War had given the Committee a freer hand to discuss matters beyond the routine, and with Livesey and meetings chaired by Charles Carpenter, Committee reports seem to indicate that the Committee was more determined to discuss subjects that management would find controversial. In May 1924, for instance, the Committee asked about wage rises.

As can be seen from the Company's policy on accidents men were encouraged to take decisions on their own working lives. This worked well, for instance, when the Committee was taking a decision to root out non-combatants in the First World War from the workforce, but rather less well when wages were under discussion. It is too

easy to imagine that the Committee was not in agreement with management on their role - they were quick to establish their positions should they imagine that trade unions might supplant them. In August 1920 they passed a resolution, in a period of union activity, that they alone represented the workforce to management.

Men serving on the Committee had to have an investment of £25 in Company stock and at least five years service. They would thus be men with an investment in the Company who would be eager to re-inforce the system and want a measure of power for themselves. It is naive to think that dissidents would have ever got in a position to be elected.

By 1900 the profit sharing scheme had become 'Co-partnership'. Employees had become 'partners' in that they could buy stock and vote for their own employee directors.

As we have seen the idea of employee shareholders was not a new one in South Met. By 1894 it became possible for employees to buy shares with half of their invested bonus. This system gave the Company an opportunity to institute a snakes and ladder like system of rewards and punishments. The virtuous flourished in a world of house purchase while the improvident sank into oblivion.

In 1894 the employees were offered the opportunity to have their bonus increased by 1½% if they were willing to have half their bonus invested in Company stock. A few small amendments were made in 1898 to accommodate the worker director scheme and then, in 1899, so that more men would invest those who had withdrawn all their bonus over the past five years, rather than invest, were told that unless they deposited a sum of money with the Company each week they would get no withdrawable bonus in 1900. The amount they must save must equal a weeks wages by June 1900. The bonus was raised to a standard percentage for both invested and withdrawable parts and for most men it became obligatory to invest half in Company stock. It was now forbidden to sell this stock. In 1910 a further measure even forbade the withdrawal of the remaining free portion and all bonus was to be invested. Withdrawals could only take place under very special circumstances involving special permission and a week's notice.²⁹

In the early 1900s, the Company under the auspices of the Co-partnership Committee, set about purging from the Company those whose stock certificates had not been deposited wisely. Not only was the Company's interest evoked but all the respectable man's horror of pawnshops, publicans and money lenders. Co-partnership Journal³⁰ carried comparative figures from the various Company works of numbers of those who had pawned their stock certificates: Bankside (a very small station) had none, while Rotherhithe led the

way with 29% of certificates in pawn. As they said, the Board was very disappointed to find that 14% of the Officers visited pawnbrokers too. Other certificates had been used as down-payments on furniture or as a guarantee to money lenders - some of them ex-employees using their 'nest eggs' to set up in brokerage.

Men were warned against pawn shops and obliged to produce their certificates out of pawn. One man, it was reported, re-pawned his the next day and was sacked. Workers were no longer allowed to keep their certificates themselves and they were obliged to leave them with the Company for safe keeping.

For those workmen who did not mind if their money was piling up unseen in the Company's hands rewards followed. They not only qualified for the Co-partnership Committee and eventually employee directorships but they had the opportunity to become property owners. The Company operated its own building society (which still exists) into which members could pay money from their own savings. This investment could be released together with their Company stockholding to purchase a home.

Co-partnership Journal ³¹ comments on what it describes as 'rumours' that the newly built Corbett estate in Lewisham was being reserved for gas workers. This comment - which is unsubstantiated - may be partly facetious but nevertheless reflects a feeling that gas workers could consider purchase in what, even in 1983, constitutes some of the highest quality terraced housing in the district. The Company also provided rented flats and houses.

Emigration to the colonies was another approved reason for withdrawal. Employees were also encouraged to make wills to leave their assets wisely. So that no more money than was necessary left the Company's hands a loan system was instituted so that employees tempted to ask for withdrawal in a domestic emergency could borrow money at preferential rates and not touch their investment. Livesey explained that the accumulation by the middle classes of capital had built up both the class and the stock of capital a century earlier; now the working classes could do the same. ³²

The total accumulation of capital in the hands of the workers was not enough to give them a significant vote at Company meetings to sway policy; in 1921 they were thought to have only about 7% of the total shareholding. ³³

Together with this system of rewards and punishments the bonus continued to be paid, albeit in the form of unseen certificates. As the price of gas rose various changes ensured a bonus in most years - in 1901 a different base price was set when gas prices rose to ensure that a bonus would be paid.

South Met. were very proud of the lack of restlessness among workmen in years when the bonus was reduced. In the First World War it is not surprising that patriotic workmen did not grumble when the bonus disappeared for years at a time. Changing economic circumstances meant that the original basis of the scheme was subject to constant changes after 1918.

The third arm of the South Met. scheme was the worker directors Livesey claimed that this had been suggested to him by A.J.Mundella while they sat on the Royal Commission of Labour; he had rejected it at the time (in 1892) but had gone home and read as much about such schemes as he could. Then he decided to try it. ³⁴

In some ways the row that preceded the setting up of this part of the scheme more interesting than the scheme itself. It was necessary for the Board to get a new Statute to be able to implement such a scheme and for this Parliamentary approval would be required. The Board was in any case intending to submit a new statute in order to reduce their shareholdings to a common level. This would convert £2m. worth of capital to £4m. and was in itself controversial. Livesey hoped that it would make stock easier to sell and easier to divide into small parcels. At the same time he inserted an enabling clause for the worker director scheme. The whole process took three years.

Although the Board initially passed the wording for the bill at a subsequent meeting they required him to remove one clause, which read

'persons in the employ of the Company and holding ordinary stock to elect a representative or representatives to take part with the Directors in the management of the Company.'

35

It was recorded that of the six Board members present only Livesey and Robert Morton supported the clause. A meeting was then held with the Company's Auditors who also objected.

The Bill was referred to the House of Commons where it was stated that the clause had been dropped because of Board opposition. A.J.Mundella moved a clause to re-instate the matter from the floor of the House. The Bill, however, fell because of objections to the 'stock watering'. 36

During the summer of 1895 the Bill was re-submitted and by then opposition had grown. One Board member, John Ewart, was making public statements in opposition and he was joined by Col.Makins Chairman of the Gas Light and Coke Company.

Makins said that Directors were to direct and that anarchy would result from any other system - worker directors were "Alice in Wonderland". Ewart said that Livesey was on 'thin ice'. How, he said, could the guarantee to get the best man - how could someone be a Director and then return to stoking; once Livesey had ceased to be Chairman it would no longer work. 37

In reply Livesey pointed out that municipal gas concerns were directed by local councillors, who did all sorts of jobs for a living, and might well even be gas stokers. He further said that arguments about workmen directors being unable to accept

orders from the foremen were nonsense - they should consider the relationship of the Home Secretary to the police.

The Bill went back to the House of Commons and was debated.

One member, a radical objected to the stock watering principles and an advanced liberal thought that it would make the Company easier for the LCC to purchase. F.G.Banbury, who was the local Peckham member and a Conservative Unionist approved of the bill but thought it would make purchase more difficult. Another local member, Kimber for Wandsworth said:

'the name of Mr. Livesey .. a man who for singlemindedness of purpose and friendship to the working classes had no superior ... and whose Company was the pioneer in giving cheap gas and establishing a system of profit sharing ... was a voucher for the fairness of the Bill towards the working classes.'

The LCC also discussed the Bill. John Burns said that he would oppose it 'tooth and nail', and Thornton that it would manipulate the workers through their ownership of shares in the Company. The LCC reported to the Parliamentary Committee which had been set up and it is clear that their opposition was concerned basically with the 'watering' of stock which they felt would make future purchase more complicated.

Opposition outside government circles and the gas industry was centred on the principle of worker directors itself. Before the Bill had been re-submitted to Parliament a shareholders meeting had been called to approve it. Ewart had meanwhile organised the opposition - among which was Livesey's brother, Frank, at that time Engineer at Old Kent Road. After discussion on the subject at the meeting Livesey made the following statement:

'he would serve the Company not for the fees but because he was proud of his connection with the Company. But at the first sign of failure of ability or one of confidence on their part his resignation would be given. If they had confidence in him they would express it at the meeting. If not they would know what they should do and he would also know what to do.'

39

The principle of worker directors was supported on the Board only by Morton, but among the shareholders by Richard Foster. The shareholders voted to keep Livesey and take the worker directors.

Livesey said:

'they will be educated by responsibility, you will make them wiser and more judicious - we shall now show in a large scale what is possible and we shall have done something for England'.

40

Worker directors were to be elected once the total investments of the employees in the Company's ordinary stock totalled £40,000. Once they were elected they would receive fees 'not less than his ordinary day's pay, nor more than four times that amount'. Voting was to follow 'the usual open voting system of Joint Stock Companies in proportion to the amount of stock'.

In November 1898 the first two employee directors took their seats on the Board. Provision had been made for a third director to be elected by the officers - but their stock allocation did not entitle them to it for another five years.

After all the fuss involved in the setting up of the scheme it was really rather tame. Director's Minutes give no hint of discussions or of the role played by worker directors on the Board. Charles Carpenter, in 1918, said that they had 'valuable expertise' but his real feelings were that the Co-partnership Committee was 'more useful'. 41

Non-worker directors were recruited because of their particular field of expertise, or family connections, or large shareholding; worker directors were not really so different. Often they were men whose families had a tradition of work in South Met, or whose families had worked for one of the other component companies. Sometimes they had relations, - uncles, grandfathers, sons - working at other levels in the Company. Often they were men who had served on the Co-partnership Committee, or had relatives currently on it.

It had been suggested that 'militants' or 'hotheads' might be elected to the Board - or conversely that the system was geared to keep them out. Men who had gone so far through the South Met. system were likely to have a commitment to the

Company. They believed that the industry was a public service - and that gas in itself was something special. It is not difficult to find such men in the gas industry today who seem to feel a loyalty not just to the industry, but to gas itself.

One worker director was Henry Austin who had advocated share ownership at the 'Interview'. He had come to London from Market Deeping in 1843 to work as a carpenter at the Old Kent Road. By 1885 he was Foreman Carpenter. At the 'Interview' he declaimed poetry in praise of the profit sharing scheme - he moved from there to be one of the first employee directors. His enthusiasm in life outside his work was for microscopic water creators, he worked and lectured for the Quekett Club. ⁴²

What was the future of the Union at South Met. Livesey claimed that Unionists were not persecuted although following Thorne's Plymouth statement Gas Workers Union members were not allowed. It is clear from statements made by workers in the company that South Met. was regarded as a non-union company and that workers

there who joined unions were - to put it at its minimum - indiscreet.

The Gas Workers Union declined in South London from 1889 on. ⁴³
The Union's published accounts show, in late 1889 and 1890 how the strike and union were failing from the record of payouts for strike pay alone. At Old Kent Road, for example, money paid out to strikers fell in each successive week of the strike - £750 - £290 - £128 - £120 - £53 - £45 - £80 - £50 - as men either returned to work or found employment elsewhere. Once the strike was over the Union continued to pay out to stragglers for nearly a month. Sums paid out were not equal to those paid in - although of course street collections do not show in the accounts. Money paid in fell as Union membership fell. At Old Kent Road £47 was paid in for dues on August 1889 but by January 1891 only £1 was sent in. It is clear that no body could cope with that outflow of funds. The Union did not have the resources and could only finance the strike from sources outside South London. Instead they attempted to take on employers all over the country.

The Union continued to represent Gas Workers in South London. In the autumn of 1890 they were involved in a major dispute with Gas Light and Coke Co. - which is remarkable for the way in which Will Thorne was concerned to say that no dispute had ever been contemplated. The threat of action by the Company brought an immediate retraction from him. Whatever the truth of this dispute - and Thorne claimed that 'a certain gentleman on the Royal Commission of Labour' (i.e. Livesey) had provoked

it. His statement was that 'it would be madness for Gas Workers to strike'.⁴⁴

South London branches maintained themselves for some time with a declining membership among gas workers but replaced them with workers from elsewhere. New branches were set up to cover Greenwich Ropeworks, Greenwich Soap and there was a growing membership among building workers. In 1896 the Greenwich Branch was involved in the building workers dispute - and it is clear that the branch almost entirely consisted of these workers.⁴⁵

South London connections with the Gas Workers Union survived to the 1894 LCC elections when the Greenwich and District Electoral Committee ran Pete Curran, in his absence. Curran said afterwards that he had been deceived by the organisation and disappointed by his vote - nevertheless 391 voters were still sufficiently impressed by a GWU full-timer to vote for him. Although some votes may have been those for a local man; Curran came from Woolwich.⁴⁶

After 1906 Thorne's career continued in the House of Commons, along with disputes throughout the country and the 'other' London companies. In 1918 the Wandsworth Company Minutes record that 'the Chairman had seen Mr. Thorne about the strike and he would address the men'. Thus in less than thirty years the Gas Workers Union had become a body which the companies could call on to resolve disputes with recalcitrant workmen.⁴⁷

At South Met. the unions continued to be frowned on. Despite the agreements Livesey continued to say that he was not against the unions. Unions run by people like Thomas Burt, whom he professed to admire, were acceptable - he was against the 'socialistic' unions. Gas Worker activists continued to complain that the union was discriminated against; Livesey continued to deny it.

In his evidence to the Royal Commission of Labour, Blackburn, who had been a Union activist at Greenwich, told how his lodger had been unable to get work at South Met, because of his, Blackburn's, reputation. He himself had gone to Livesey to complain about this and Livesey had intervened to give the lodger a job. ⁴⁸

Another, not dissimilar, incident in the 1890s concerned George Ward. Ward was another Union full-timer and had been cheerfully writing article in 1891 about 'good George the First of the Gas Realm'. During a spell as a Liberal election agent he had made a speech in which he had named an individual who had been 'replacement' Labour in 1889. He made remarks about this person which could be proved to be untrue and Livesey persuaded the individual concerned to sue Ward for libel. The case was duly won and damages awarded. Livesey then arranged for the damages to be remitted and Ward was then in the position of having to thank Livesey for his help. ⁴⁹

Ward continued to campaign actively against Livesey and anti-union policies claiming in Labour Co-partnership ⁵⁰ that 'prohibition'

was 'rigidly enforced'. He described how the Engineer at East Greenwich was paying 2/6d. a time for information about union members in the workforce. He produced two ex-workers sacked after their pockets had been searched and union cards found. Tysoe the Engineer concerned wrote to object;

'members of the GWU are employed here so long as they conduct themselves properly'. 51

This statement of course depends on what is defined as 'properly'. The clause about union membership was removed from agreements in 1901 - possibly after pressure from LCA who found it embarrassing - (not through 'an outcry from the workers' as described by Perks).⁵²

What seems clear is that a sort of guerilla warfare on both sides developed for a while which was eventually dropped. A similar situation with Livesey had arisen several years previously over the break-up of the professional institute and a reconciliation had been effected many years later.

What is clearer is the position after the War. Correspondents to Co-partnership Journal began to put the view that trade unions could be acceptable side by side with co-partnership and this view was, gently, discouraged; co-partners could perhaps help and advise trade unionists but they had their Co-partnership Committee and needed no other. Meetings and conferences must be held to discuss matters. 53

Co-partners would be urged to take part in national and local politics.- the word must be spread. Livesey's successor, Charles Carpenter, said that trade unions and co-partnership were identical. An indication of union activity in South Met. is gleaned from a small item in Co-partnership Journal - in April 1918 - ex-army men were not to be employed in the meter shop (repairing meters) because 'the Union' had said they were not to be employed there. Such items concerning the employment of returning soldiers could only fan anti-union feeling. The item however illustrates that there was some union activity at South Met. ⁵⁴

This union activity is further illustrated by another incident described by Carpenter. Union men refused to work with South Met. men in setting up an exhibition at Crystal Palace. South Met. men continued and worked alone - to be praised by the contractor for working ten times as fast as Union men. ⁵⁵

But the Company's attitude to unions can best be illustrated by events during the General Strike of 1926. Men in the lighterage department joined the strike. The Directors Minutes record:

'a number of men in the lighterage department have left with no notice. They have been interviewed ... and knew their severance was complete. For the first time in the history of this co-partnership (36 years) the Company has been deserted in an emergency by its employees - the sole reason for their action is their mortal fear of reprisals by their fellow trade unionists employed in the same calling as themselves... if they continued to work ... their posts have been filled by other co-partners'.

This quotation makes management's attitude quite clear.

It is also clear from conversations with ex-employees of South Met. Union membership was 'not allowed'. Mr. Eaglestone who worked in the Tar Department from 1914 said that this was so and that Union members would be sacked. Harry Reid, who later became a prominent Boiler Maker's activist in Greenwich, said that he did not dare declare his Union membership until after nationalisation. ⁵⁷

What did these old workers think about the co-partnership scheme?

Harry Reid, for all his commitment to the Union, served on his departments Co-partnership Sub-Committee and went to central Committee meetings. Mr. Eaglestone felt that nationalisation, while a good thing in itself, meant that gas workers had lost out. Leslie Gale, who had been Chief Clerk at Old Kent Road, was sure it had been better then than now - people were partners and could settle their problems irrespective of position. What is more the new management did not really care about gas! Bill Banks felt that things were better then too; it was fair; men had to go to meetings to discuss things; there was no distinction in the settlement of grievances.

Perhaps the final quotation should be from Ernie Berry - he said that he was a socialist so he knew the scheme was wrong - but 'it was very good for us' he said.

NOTES TO THE CO-PARTNERSHIP SCHEME

1. Times 28.12.89
2. Journal of Gas Lighting 20th June 1886
3. ibid
4. South Met. Directors Minutes 7th January 1886
5. Report of the proceedings of an Interview between the Directors and representatives of the workmen of the South Metropolitan Gas Company who have signed the agreements under the Profit Sharing scheme proposal at the Old Kent Road Works on Thursday November 21st 1889. printed and published by South Met. Gas Co.
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7. ibid
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11. George Livesey. Paper on the Profit Sharing Scheme of the South Metropolitan Gas Co, Newcastle on Tyne October 14th 1899
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25. C.R.Fay. Co-partnership in Industry. London 1913. Cambridge Manual
26. This and following examples of Co-partnership Committee action can be found in Co-partnership Journal. Monthly reports were published.
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28. Charles Carpenter. Industrial Co-operation. LCA. (editions 1911 & 1921)
29. Details of the scheme can be found in successive Board of Trade Reports on Profit Sharing. 1891, 1894, 1912 and 1920.
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33. Board of Trade Report into Profit Sharing, 1921.
34. Profit Sharing: a Vindication *op. cit*.
35. South Met. Director's Minutes 12th December 1894.
36. Hansard 1st March 1895.
37. Correspondence in Journal of Gas Lighting 1895/6
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39. Journal of Gas Lighting 3rd August 1895
40. *ibid*
41. C. Carpenter *op cit*.
42. Details from Co-partnership Journal 1905 - 1915
43. Details from Gas Workers Union Account Books.
44. GWU Report 1891

45. GWU Accounts. 1889 - 92
46. see reports in Kentish Mercury 1894/5
47. Wandsworth, Epsom & Ewell Gas Company Minutes 24th August 1918.
48. Royal Commission of Labour. Group C. Evidence of Blackburn
49. Labour Co-partnership. November 1891/February 1892
50. ibid November 1894
51. Ibid
52. R.N.Perks. Real Profit Sharing. Business History July 1982
53. Industrial Co-partnership op cit.
54. Co-partnership Journal April 1918.
- 55.. C. Carpenter op. cit.
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57. I should like to thank the various ex-South Met. employees mentioned here and in particular Harry Reid whose help, contacts, and loan of some source material has been invaluable.

THE CO-PARTNERSHIP SCHEME - ITS INFLUENCE

Initial reaction to the South Met's profit sharing scheme was cautious - except, of course, for the Union which had already condemned it. Once the strike had been resolved others in and out of the gas industry were quick to praise - and still more waited to see how it would turn out.

South Met. Directors and shareholders were among those who praised. A testimonial fund for Livesey was launched by Richard Foster and a subscription list was opened. The money collected bought land at Hatcham which today forms the Telegraph Hill open space and a fountain was erected there (now removed).¹

The subscription fund was joined by expressions of gratitude from those elements in the workforce who felt that they had been saved from the Union. As early as December 1889 'loyal' petitions had been received by the Board and in succeeding years a ceremony and festival was held on the anniversary of the start of the scheme. Presentations were made, important supporters of profit sharing were invited to make speeches among fireworks and self-congratulation.

Although the London gas industry was full of praise, it was praise with some reservations. At the South Suburban Company meeting in Spring 1890, Mr. Gandon, a long time supporter of Livesey, said:

'there had been some little difficulty, chiefly owing to the uncertainty which had been felt as to who was to be the masters and they they knew as well as he with what ability, promptitude and fertility of resource Mr. Livesey had fought the great battle - Mr. Livesey had fought for freedom of contract, for the right of the British workman to sell his labour in a market and at what price he chose'. 2

The Commercial Company felt much the same; but Gas Light and Coke Co, while supporting the rights of men to sell their labour where they would, also thought:

'that they would be ready to consider the introduction of a bonus scheme ... to give a bonus as a fixed amount upon monthly agreements ... totally distinct and free from any question of profit'. 3

At this meeting of the Gas Light and Coke Co. in February 1890 Livesey claimed afterwards that shareholders had called for the still unsettled damages to be paid by South Met. to Gas Light and Coke for the Nine Elms infringement should be waived in gratitude for his actions in saving the London gas industry from the unions. The matter was not mentioned in company reports and was not taken up. 4

Although the Companies were full of praise for Livesey's stand against the Union were not so sure that rescue was necessarily worth whatever sacrifices the profit sharing scheme involved; they also needed to keep in with the Unions themselves - a point which Livesey did not tire of pointing out.

The scheme was taken seriously from the start in the daily press with discussion in correspondence columns and editorials. The Gas press was more partisan; Journal of Gas Lighting described the scheme as 'a ray of sunlight' and devoted serious editorials to it. They pointed

that Livesey had 'cherished it for years'. ⁵ Gas World was more sceptical:

'the Board of the South Metropolitan Gas Company has resolved to apply the sliding scale to its employees ... there is a speciousness about it'. ⁶

They were in no doubt that it was for the good of the Company rather than the workers.

The next body to claim a specialist interest was the Labour Association. The aims of this body, later the Labour Co-partnership Association, was to promote profit sharing schemes in England.

Profit sharing had never attracted the support in England that it had in France where several long running schemes, had been extremely successful. Various schemes had been started in England since the 1860s with different results, each had their own individual character and individual marks of their pioneers - most of them had collapsed fairly quickly.

In the 1860s some interest had been occasioned through meetings of the Social Science Association and a periodical had run for some time edited by E.O.Greening, who lived at Catford with a business in Bermondsey. He had been one of the would-be mediators in the 1889 strike. ⁷

A major scheme had been started under the Briggs Brothers in their Yorkshire colliery and had been much written about. The scheme, despite some initial success, had collapsed during a dispute. Company Law in England had only begun to embody the ideas of industrial partnership in the 1860s and differed in many ways from French law which had been able to accommodate this kind of entity more flexibly. A number of Profit Sharing schemes had been set up in the 1860s and 1870s and in 1884 the Labour Association for the Promotion of Co-operative Production was formed by a group of people from differing backgrounds. As Bristow says:

'the leaders of the Labour Association were more anti-statist and anti-socialist than anti-capitalist'.

This body was the one supported by Greening; and in which Livesey eventually became involved. In the early 1890s it watched the progress of the South Met. scheme with caution.

1889 had been a year in which profit sharing had attracted attention in Britain beyond the immediate circle of its supporters. An International Congress on Profit Sharing has been held in Paris and had adopted a definition of profit sharing which must apply to all schemes which the Association would support. ⁹

A great many schemes were set up in this year. In 1889-90 thirty-one known schemes were begun - and this compares with only two in 1888. Of these thirty, only about a quarter survived until

10

1920. In 1920 the Board of Trade Report on Profit Sharing commented

that the South Met. scheme itself had given a great deal of publicity to profit sharing in these years. In addition, as in other years when profit sharing flourished, employment was high.

Between 1891 and 1894 Livesey sat on the

Royal Commission of Labour and put forward his own minority
11
report on profit sharing to that body. He began to attract the attention of prominent men for the scheme. On the Commission with him was A.J.Mundella - and as we have seen he supported Livesey's worker director scheme

Livesey said later that he had been persuaded to try the worker director scheme by 'radical friends' and, indeed, the Globe commented that Livesey had been influenced by certain 'radical politicians' and urged shareholders to attend meetings in order to prevent what was going on.¹² The worker director scheme was under considerable attack from both in

and outside of South Met. Livesey was under criticism from both the traditional right and the socialist left - both camps seeing him as an adherant of the other! Nevertheless his position as a prominent public figure was consolidated in this period. He not only sat on the Devonshire Commission but also on the Royal Commission on the Poor Law and many other commissions and committees set up by various establishment institutions. He had always been called as an expert witness in gas affairs, but now he was being consulted in other fields. In 1902 he was knighted and this reflects his acceptance by the establishment.

Criticism from trade union sources had initially been that the bonus scheme was set up to break the union. More consistent criticism came from John Burns¹⁴.

In an article which appeared in Wholesale Annual¹⁵ he said that profit sharing in the South Met. had led to an increase in the accident rate there. This pronouncement was said by Livesey to 'have no more connection of the one with the other than between Tenderton Steeple and the Goodwin Sands'¹⁶ and he produced figures disproving Burns statement. In 1907 Burns said that profit sharing would not spread to other gas

companies and that it would die with Livesey. Nevertheless Burns echoed the Gas Workers criticism of profit sharing as:

*'a golden band to bind men to their employers
..... a delusive snare intended to crush the
workmen's unions'* 17

This description of a 'snare' was taken up in 1913 by Harry Quelch in a pamphlet with that title. The work is an overall criticism of co-partnership in which South Met. is but one illustration. He repeats the argument about the anti-union nature of co-partnership:

*'it is inimitable to all combination among
workers, to trade unions and all working
class solidarity'.* 18

He went on to further explain that those trade unions which has espoused co-partnership had not grasped the difference between an individual strike and the power to strike. He brought up the argument about wages - that is that wages rates might well be higher in individual works with co-partnership schemes but that in fact wages were really lower because the scheme had led to increased output - with increased profits. They deserved more anyway.

This last argument was the one used by Will Thorne in the House of Commons debate on co-partnership in 1912 said that co-partnership schemes wore the old men out - because they

were unable to keep up the pace.

Quelch quoted Livesey as saying that co-partnership led to a real interest in the work, and answered that the Gas Workers' Union was aware of the 'sinister nature of the scheme' because it was obligatory to be a co-partner. He quoted the point made by Aneurin Williams, a Labour Co-partnership Association activist, that 1% of capital only was owned by the workforce and that this meant that their influence at Company meetings would be negligible.

He continued, more fundamentally, that if the workers had owned all the capital, that the scheme would still be wrong because it would still be a capitalistic joint stock enterprise and therefore should be condemned by all socialists. He worked out a proof that such profit sharing schemes actually made more money for the capitalists. If the costs of production went down and the labour force was thus reduced, then the savings on wages would mean that the profit sharing bonus was not equal to the amount of gains on wages saved and on the extra output.

'Profit sharing reduces Labour's share of the product'.

was his conclusion. Workers were tied hand and foot and had lost the rights and power to strike and this was substituted with the clash of sectional and individual interests.

'Wherever profit sharing in any form has been adopted with success it has been proved conclusively that what has been shared is not profit but wages'.

Figures produced by South Met. would probably bear this out. It could be shown that the original 'nest eggs' and the setting up of the scheme costs a lot less than a strike. Such a cohesive body of argument did not emerge in Livesey's lifetime - his answers would have been interesting. Too often those who did attempt to argue with him were unable to produce very much more than the conviction that he was wrong.

Deptford Socialist published his correspondence with Livesey under the title of Sir George and the Dragon.²⁰ He had written to Livesey challenging him to explain what he meant when he had quoted socialists who Livesey had alleged had said 'capital that is the enemy'. Livesey replied that he had commonly read accounts when this statement was made and Deptford Socialist replied that socialists did not attack capital itself but the system of capital. Livesey in replying said that 'he too had little sympathy with the idle rich' and continued:

'I am probably almost as dissatisfied as yourself with the present state of society'.

to which Deptford Socialist pointed out:

'your scheme would destroy the evils of capitalism by creating more capitalists'.

He challenged Livesey to arrange a meeting where they could debate the merits of the co-partnership versus socialism in front of a meeting of South Met. co-partners who would then vote on the two systems. Livesey did not reply to this challenge.

There was, however, in Deptford Socialist's correspondence little attempt to examine in any depth what Livesey was trying to do. S/he says that the system is a bad one because it is wrong and not socialist - then leaves it there. The point that South Met. was creating 'small capitalists' was put with more force by anti-socialist elements who saw that the ownership of small amounts of capital was a powerful force against collective action - as with peasant proprietors. H.D.Lloyd, an American observer who visited South Met., pointed out that it was in addition

' a formidable barricade in the path of municipal ownership'.

21

Some trade unions - even Gas Worker branches - found co-partnership acceptable. Livesey quoted support from a GWU branch in Sheffield who had recommended the Sheffield Gas

Company follow South Met's example. There were other trade unionists who could agree with co-partnership principles.

Livesey was taken up and very much praised by elements who have been identified by historians with the extreme 'right' but who described themselves - as Livesey did - as 'individualists'.

Various historians have seen Livesey's activities in this light. E. Bristow mentions Livesey's connection with Weymss²²; N. Seldon suggests that Livesey was in some way involved in the financing of Liberty Review.²³ Livesey was certainly involved in the Anti-Socialists Union and appeared on some of its committees but it seems unlikely that he was involved in the Liberty and Property Defence League. Col. Makins of Gas Light and Coke Co. was certainly a member of this body but it seems unlikely that Livesey, with his strong temperance views, should have been involved in a body where the brewing interest was so predominant.²⁴

Contemporary suggestions were that Livesey was involved²⁵ in the Masonic organisation - again some of his close associates were. From the evidence of his will Livesey was mainly committed to temperance and Christian bodies. He left money to many causes - all of them medical or temperance charities.²⁶

× In a Plea for Liberty Vincent spoke against the Gas Workers Union calling it a 'confiscatory engine in all but name'. This work embodies a whole ideology of 'right' thought at the turn of the century. Livesey is singled out for praise in it and his stand against the Gas Workers Unions is detailed. The editor, MacKay, said that ordinary English people hated socialism - by which he meant entities like sanitary inspectors! He condemns the whole idea of public libraries denouncing them as 'socialistic' - again strange company for Livesey who had given a public library to the people of Camberwell.

In The Apostle of Free Labour²⁸ Collison suggested that Livesey was partially responsible for his Free Labour organisation and praised him as 'one of the best friends Free Labour ever had'. There were certainly South Met. workers involved in Collinson's organisation but South Met. did not make any traceable donations to it - in the way that some other companies did.

He did discuss his involvement with the London Municipal Society of which he was a Vice-President in 1906 and to which he made donations - for which he had to account to the readers of Co-partnership Journal.²⁹

The involvement with the LMS can be more clearly put in context with Livesey's other activities. In that period he was busy persuading rating authorities that gas works were not suitable subjects for the levy of rates. LMS's platform opposed rates. Gas World obliquely hinted at Livesey having Parliamentary ambitions - but give no evidence for the remark. 30

Livesey strongly argued the case against socialism. In some cases the profit sharing scheme had been taken up elsewhere because it was anti-socialist. Ordinary shareholders like Canon Cromwell of the Slough Gas Company pressed it on his Directors as a 'bulwark against socialism'. 31 Livesey's ideas were taken up by a diversity of elements - many of them anti-socialist.

This identification with anti-socialism and anti-unionism was for many years an embarrassment to the Labour Association who, whatever their individual views did not, in principle, want to take such a stand. Some people involved with their organisation - like Tom Mann - were strongly socialist. It was unfortunate for the Labour Association that South Met., the really big and successful example of what they were putting forward, was not a body they could support without embarrassment. In 1899 they still said

'The Labour Co-partnership Association had never recognised them strictly as a case of Labour Co-partnership but they still found a very great deal to praise in South Met.' 32

In November 1899 Livesey read a paper to the Industrial Remuneration Conference in Newcastle-upon-Tyne and in many ways this marked the beginnings of his acceptance by the movement. In this paper he explained the detailed working of the scheme in South Met. and produced examples of its rule books, etc. 33

In 1906 he addressed the Labour Co-partnership Association's Annual General Meeting and proposed a resolution, beginning

*'This meeting affirms its belief in
Co-partnership by which labour and
capital are united in a common
endeavour to produce and distribute
wealth in the most efficient manner
.....'*

34

This resolution could be seen as important statement of principle and Livesey's association with this body in moving it was a step closer towards them.

Labour Co-partnership, the Association's journal, was from 1906 onwards full of praise for Livesey and South Met. In succeeding years after Livesey's death, South Met. become more and more closely involved with the Association. Charles Carpenter, who eventually succeeded Livesey in the Chairmanship of the Company, served as a committee member of the Association as did some employee directors. LCA published leaflets on various co-partnership related issues by Carpenter; employee directors addressed their meetings and South Met. become in due course the example to which all prospective profit sharing employers should aspire.

It was in this direction that the scheme began to move after 1900. The Labour Association and its successors were in no sense a workers movement, nor was it identified with the labour movement except in the very loosest sense and through individuals. Neither, however, was it identified with the strike breaking movement, nor with the individualists and anti-socialists.

Livesey was always enthusiastic to spread the message of the virtues of co-partnership. He felt that he had more influence in the gas industry than in any other field and it was there that his style of co-partnership spread. Some schemes started through his influence - some more closely than others. Two of the earlier schemes started in Companies of which he was a Board member.

One scheme was started in the South Suburban Gas Company which has in the 1890s changed its name from the Crystal Palace Company. The area served by the Company was immediately adjacent to that of South Met. supplying gas to what is now mainly London Borough of Lewisham. It was smaller than South Met. with only one works - the Bell Green Works at Lower Sydenham. Livesey had been a Board member for many years.

The history of this Company during the period of the 1889 industrial disputes provides a useful parallel illustration of action by workers and management in a Company just outside the main arena of events and reaction - slightly later - to them. It illustrates Livesey's reactions in a less tense situation.

Following a petition from the workers the eight hour day was granted in July 1889. Livesey suggested various other concessions to the workforce which would have had the effect of cutting both hours and wages. A mass meeting was held and speeches were made on Bromley Common - this led to the Branch Secretary of the Union, being sacked. The man was re-instated following 'respectfully worded memorials' from the other workers. Throughout the period of the South Met. strike police and Company stood by waiting for the South Suburban men to come out - they did not do so and the iron huts ordered against a seige became a recreation room.

It is obvious that the men watched the progress of events at the South Met. works and came to their own conclusions about the best action to take. It is also apparent that the works was small - the sacked agitator seemed to have been known to everybody and, perhaps, the 'old friendly relationships' still in part existed.

In June 1890 Livesey was elected Chairman at South Suburban and it was decided thst in future all newly engaged workers must sign an agreement - 'it was important that they should do so'. The principle of agreements was thus brought in quietly and new hands would have been able to sign them without necessarily any realisation of their implications. A workforce unable to strike

would be built up quietly as workers were replaced naturally. In South Suburban agreements there was never any condition attached that men must not be union members.

In 1894 a profit sharing scheme was set up. In future years Livesey explained how this had been done and the mistakes that had been made. He told the Southern District Association of Gas Managers in 1906 how he had failed to build in a proper incentive scheme which had led to results which disappointed him.

'There had been no discrimination exercised in the granting of agreements'.

Agreements must be a weapon of discipline over the workforce:

The South Suburban scheme was in all other respect identical to that of South Met. It flourished and in due course workmen directors were elected to the Board. It was the only other company to take this step.

The two Companies ran a parallel course for many years. The two co-partnership schemes were closely identified with each other and ran joint events. Every year a festival was held at Crystal Palace with dinner and tea and an orgy of self-congratulation from Livesey and the employee directors. Usually however, Livesey had to apologise for the absence of other members of the Board.

Five years later another Company with which Livesey was closely identified launched a scheme. The Commercial Company was in many ways an anachronism. It served a small enclave in East London entirely surrounded by Gas Light and Coke Co. territory.

The Company appears to have been in some trouble when Livesey was elected to the Board in 1900.³⁸ Within a few weeks he had been appointed to a number of key sub-committees and was instituting many of the reforms which he had been advocating elsewhere for many years.

On 27th July 1901 he submitted a memorandum to the Board which made a case for a profit sharing scheme. This paper gives a great deal of the detail about the working of the scheme in South Met. and South Suburban and lists the benefits to both workers and company which would be expected to accrue.

The first benefit to the Company is to 'gain the goodwill of its employees ' while - 'less danger of a strike' is benefit number seven.

The scheme was duly instituted at Commercial Company and seems to have been a success. A clause in the agreements specifically says that there was no objection to joining a trade union. Both schemes followed the Livesey prototype. A pattern had been set.

Two other gas industry profit sharing schemes were started at around the turn of the century. One was at the Chester United Gas Company. This scheme has all the hallmarks of the South Met. scheme although there is no record of Livesey having been involved in it. A difference was that all members must be in a Provident Society.

39

One municipalised company instituted an early scheme. This was at Stafford. Here the bonus depended on the price of coal and "Breadwinner" - a correspondent to Labour Co-partnership doubted if this would give workers the necessary interest. If the price of coal provided a base line it was something over which workers had no control - and thus no control over gas prices and their bonus. Also, asked 'Breadwinner', why were there to be no worker directors?

40

41

The Stafford scheme does not appear to have flourished and in 1908 the Engineer of the Derby Company in recommending this scheme to the Southern District of Gas Engineers and Managers

qualified his remarks by saying that the scheme had been wrongly set up in that it paid out a cash bonus and because there had been no immediate connection between the workforce and the price of gas. He also said that the scheme had lost the town's interest.

This was to be the only municipal company's scheme. One scheme set up in the Huddersfield Longwood works was dropped because of municipalisation. This scheme included many faults which Livesey has spoken out against - there were no direct incentives, no allowance for stock purchase and no retention of the bonus into some sort of savings. 42

These few companies represent the extent of profit sharing in the gas industry before 1906. Although few, they represent a great success over schemes set up in other industries.

No doubt some other companies waited to see what the measure of success would be before they embarked on schemes of their own. Other, no doubt, echoed the words of the Chairman of the Gas Light and Coke Co. to H.D.Lloyd:

"we have not adopted co-partnership because we think the question of partnership would involved the right to participate in the management of the company and this was not to be thought of." 43

In November 1907 - only a year before he died - Livesey gave a paper to the Southern District of Gas Engineers entitled 'Employers and Employed and Co-partnership'.

In this he spoke about co-partnership to an audience of gas professionals whose first thoughts, no doubt, were what use the scheme would be to them in the management of their works.

Livesey said

'all other attempts are merely palliatives' 44

and

'we are managers of a very important industry on which the convenience and comfort of the public depend we have to do with a factor ... which has been called the human machine we spend no end of time and thought on getting the best and most efficient use out of ordinary machinery'.

He went on to give technical reasons why men and their labour were the most valuable resource in the works and that that resource must be used to its best advantage. pointing out that:

'although co-partnership is in other ways beneficial both to employers and employed it must be economically advantageous to justify its adoption.'

These arguments were enthusiastically received by his audience and he was backed by men like Mr. Shoulbridge, who had been responsible for implementing the scheme at South

Suburban. He was happy to add his praise for what, he said, were the best ten years of his life. H.E. Jones of the Commercial Company enthused as well saying that although they had no worker directors at Commercial they would have no objections to them. (Worker directors never sat at the Commercial Company's Board).⁴⁵

In the following two years just under 20 schemes were set up in gas works around the country - including Gas Light and Coke Co. whose management had made such disparaging comments when the South Met. scheme was set up. In the meantime Livesey's friend Corbett Woodall had joined the Board.

In 191 the Board of Trade Report on Profit Sharing estimated that works covered by profit sharing schemes now produced 49% of the gas manufactured. Most of the schemes were roughly modelled on South Met. but most had some variation. Successive Board of Trade Reports attempt to list all the permutations. Some companies did not require agreements to be signed; in some participants must be members of benefit societies, at Gloucester no employee earning more than £200 a year could join; in some companies the bonus was not connected to the sliding scale; in some companies there was no withdrawable portion; some companies allowed it all to be withdrawn - every variation rested on local conditions and the individual ideas of board members. Only in South Met. and South Suburban were there worker directors.

The Board of Trade Reports quote enthusiastic reports from management. One discordant note was struck from Enfield;

'on the whole satisfactory, but the good influence did not extend to the whole' 47

'Good influence' here as elsewhere was counted in acquiescent, hard working and grateful workmen.

Up to 1914 a few more companies instituted schemes and others planned them. War cancelled most plans. Some schemes were revived after 1918 and other, new ones, started.

Very few of these schemes failed - in comparison with the failure rate of profit sharing outside the gas industry the success rate was remarkable. It is however significant that some did fail and the reasons for this failure will reflect the aspirations of those who set them up.

Four schemes floundered before 1920. At Plymouth and Carmarthen the Board of Trade lists reasons as 'dissatisfaction of employers with the results' - this meant that the workers had preferred the Union. At the Longwood, Huddersfield, works the scheme was cancelled because of municipalisation. At Maidenhead cancellation was given as because of 'dissatisfaction
48
of employees'. Unfortunately records of the Plymouth and Longwood Companies no longer exist - Maidenhead can be examined more closely.

The Maidenhead Directors did not minute the setting up the scheme in their works but every year after 1912 the Annual General Meeting of the profit sharing scheme was held in August and each time was treated as an opportunity to review wages. Fifty workers participated in the scheme the bonus of which was paid out in shares and into a savings fund. However, for four successive years during the war period the Annual Meeting was the occasion of a wage claim - and a wage rise. In 1918 the Directors reported that

*'at the annual meeting of the co-partners
... it was reported that most employees
had joined the labour union'.* 49

It was reported that the union rules did not allow any member to sign an agreement with employers for more than six months - and co-partners had to sign for twelve. They had therefore all withdrawn. The scheme was wound up and the co-partners withdrew their lump sum. No-one seemed to be unduly upset by this and thenceforth the Company negotiated with the Union every August on the question of wages.

In such a case it is probable that the scheme was an experiment in which the Board did not have a great deal of faith or interest. The union was a good substitute and probably less bother and work for them.

Probably most problems with schemes were caused by rival attractions of the union - there is a suggestion that men at Plymouth joined the Dockers Union.⁵⁰ This reinforces the suspicion that companies set up schemes in the hope that it would deter unionisation. Some of them were not very determined to succeed.

The aspirations of the Liverpool company in setting up their scheme is outlined in Stanley Harris' book on that company.⁵¹ He describes the start of the scheme in 1911 and quotes an interviewee who felt that 'altruism hovered in the background'. Harris makes it clear that he feels the scheme was begun because of what he describes as 'industrial riots' in Liverpool in 1911. When the Director's received a letter from the Gas Workers Union in November 1911 they immediately started the scheme. At the outset six men were sacked at Garston from refusing to sign agreements which action precipitated a strike and the union had to be brought in for negotiation. The men were re-instated.

In these circumstances the union nevertheless recruited rapidly and in 1912 the company was forced to negotiate with them over wages. In 1913 the Company went to Parliament for a new statute - the bill was opposed by labour interests and as a result the Board had to agree with Clynes and Thorne that a ballot should be held in 1916 on union recognition.

In this way the very method by which the scheme was started precipitated union action - and continued so that the union's

position was reinforced despite the scheme. Nevertheless the Liverpool Directors persisted with it.

By 1920 ten of the co-partnership gas companies had become 'maximum dividend' companies which meant that the principle of the free sliding scale had been abandoned for a fixed price system. In this way the principle of fixing the bonus to the sliding scale had to be abandoned as was the direct relationship of price and bonus. Many companies began variations on withholding the bonus in order to release lump sums strategically as an incentive. 52

Most schemes forbade men to sell stock outside the company - and many schemes only allowed any release in case of house purchase. In this way companies kept the shares issued to employees in their own hands and in carefully regulated trust funds. Some of them used these funds for their own purposes.

In most schemes half the bonus could be withdrawn - but there were many variations. Agreements had to be signed at most works and usually used as a disciplinary machine. Casual staff were usually excluded although some works ran special schemes for winter men. Some schemes excluded office staff or young people. Gas Light and Coke Company ran a highly stratified scheme with different levels of bonus for different grades of worker.

This ran directly contrary to Livesey's principles that application was to be to all levels of staff without distinction.

Most schemes did not survive the First World War without some sort of adjustment. False bonuses were manufactured by companies who could not pay under wartime pricing conditions - when coal prices rocketed and the sliding scale had to be abandoned. The Croydon Company, for instance, frightened of protests from employees who would be deprived of their bonus, invented a system and paid out regardless. Co-partnership Journal commented ⁵³ on this; the Croydon Company might have 'good grounds' but this sort of thing was against Sir George's principles.

In Livesey's view partnership, if it meant anything, had meant sticking together and trusting people. It meant sharing in good times and bad and workmen or shareholders must all be trusted together. If there was no dividend there would be no bonus. South Met. was the only Company that went through the war and did not pay out either dividend or bonus. Observers expected industrial action but it was never even hinted at. It was pointed out that South Met's scheme was an old one and that protests might have meant the loss of considerable sums of money already in hand for workers. But Livesey's successors argued that lack of protest meant trust and an understanding of the workforce in the scheme.

In retrospect it seems likely that patriotic workmen would appreciate the Company's difficulties and wartime conditions. It also however reflects the amount of work which South Met. was prepared to put in to persuade workers to trust management - an attribute lacking in other companies.

Some other companies were concerned to impress on their employees how grateful they should feel - and how they should now think in relation to the company. For example, in 1913, the Croydon Company Chairman, writing in the Croydon Co-partner,⁵⁴ said:

'the aim of co-partnership is ... to improve the financial position of the co-partners whose services go to provide the profits and to give them an added interest in the work through the realisation of joint proprietorship and mutual responsibility which that implies'.

In the same edition co-partnership is described by Henry Topley, one of the Croydon co-partners, as 'commercial patriotism' and in that phrase implies a world of judgements in which the co-partner was supposed to be loyal and grateful to his company, with no further proof or reason for that loyalty.

At Wandsworth in the early 1920s, H.E.Jones, the Chairman (the same H.E.Jones of Commercial Company now 82 years old) said:

'there is a world of difference between the bare performance and the best effort' ⁵⁵

- again an implication of gratitude leading immediately to harder work. George Livesey had confined such remarks to audiences away from the workforce. Co-partnership Journal did not patronise.

There are political overtones - for instance Wandgas Magazine ⁵⁶ told the readership in 1924 that 'too many people want things done for them' in the context of the General Election. This is in contrast to Co-partnership Journal ⁵⁷ which took Livesey to task for his donations to the London Municipal Society and in its encouragement of co-partners in local politics specifically said that they were not concerned with which party workers stood for.

Livesey said in 1908 to the Gas Managers:

'it must take time ... and we must have patience... someone who failed admitted to me that he had started it to get more out of his men ... he tried a sprat to catch a mackerel.' ⁵⁸

It was this awareness of the dangers of expecting results automatically which marked South Met. out; the knowledge that the scheme would not succeed if the management did not believe in it - if they patronised, if they were hypocritical in their dealings with the workforce.

Most companies published house journals. Co-partnership Journal was first published by South Met. in 1904. One of its first acts was to include a Christmas card to all participants. ⁵⁹ This card surprised the Labour Association and Labour Co-partnership commented:

'so welcome, so opulent .. to address men as if they were flesh and blood ... it has shaken the sons of privilege in the House of Commons. Gas men are a rough bodied lot but they have good sense and good feeling all the same' 60

The card is really quite modest and it is a reflection of the distinctions of the times that it should have shaken anybody. Labour Co-partnership may not have known how typical it was of Livesey to do such a thing thoroughly - but also how likely he was to 'address men as if they were flesh and blood'. A great many verbatim reports of Livesey exist - in committee proceedings and so on. It is remarkable that when he addresses South Met. workers, local people in South London how easily his idiom becomes that of South London - in contrast to his language to, for example, a Parliamentary Committee. We must not forget that Livesey had been brought up in the works - and that a great many people remain 'bilingual' in this way.

Co-partnership Journal- maintained a tradition of editorial independence - which they defended when challenged. Articles from Livesey and Carpenter were not editorials - they had to be signed. 61

Perhaps the attitude of some other companies to their co-partners can be summed up in a quotation from the Brighton Company's journal. They state that the primary object of the movement is to attract the personal interest of each co-partner and identify it with the company. They continue:

'our deservedly popular engineer and general manager, Mr. C.M.Rutter, has during the past year paid a great compliment to the co-partners by consulting them as to the best means to be adopted in bringing about the reduction in wages consequent with the cost of living' 62

Other gas companies, and the Labour Association - whose attitudes to South Met's scheme have been discussed - already had a reason for taking an interest in the scheme. How was the scheme viewed by people from a further distance?

In 1891 the Board of Trade commissioned an enquiry into profit sharing. This was undertaken by J.Lowry Whittle, who devoted most of its forty-odd pages to discussion of the various French schemes which had been so successful. South Met. scheme had then been running for only a few months and he commented:

'it may be contended that this offer is rather a liberality of the Company than profit sharing proper'.

This enquiry was followed by a more detailed one in 1894 undertaken by David Schloss. He listed all known British schemes, gives detailed statistics and attempts an evaluation. South Met. is compared with other schemes and given a great deal of attention - with comments and quotations from Livesey. Schloss did not comment on the scheme and attempted a detached examination. Nevertheless the amount of attention given to it implies his judgement of its importance.

In 1898 Schloss published a book - Methods of Industrial Remuneration ⁶⁵
- in which he attempts to outline the range of variations in methods
of payment. Detailed discussion is given to bonus schemes but Schloss
does not take up much time with South Met. only commenting on the lack
of real control by the workforce in such schemes.

The Board of Trade commissioned a further report in 1912 from Schloss
who died before it was completed. It was finished by George Barnes.⁶⁶
The report gave a great deal of detail about South Met. and put it in
the context of the gas industry, rather than of other schemes, and
related its success to special conditions in that industry. He
however added:

*'Unquestionably however the wide extension of
profit sharing and co-partnership in gas
undertakings had been due not only to the
favouring conditions but also to the strong
advocacy of Sir George Livesey'.*

A further Board of Trade report was presented in 1920 having been
⁶⁷
prepared by John Hilton. This used much of the material already
published in 1912. There is however a detailed tabulation on the
success of schemes in and out of the gas industry and added a selection
of quotations from managements on results. It concluded that South
Met. was exceptional both in the stability of the scheme and in the
amount of money paid out to workers. It was also exceptional in its
progress throughout the First World War.

An early foreign observer was H.D.Lloyd who had come to Europe in order to study profit sharing schemes. He visited South Met. in the early 1890s and published his book, Labor Co-partnership,⁶⁸ in 1898. He reported enthusiastically on South Met, devoting an entire chapter to it:

'if this is a capitalistic intrigue it certainly does not have the support of capitalists'.

This quotation illustrates a central feature about the early days of the South Met. scheme. Livesey was viewed with some suspicion both right and left in the orthodox British political scene.

Livesey's only support in the 1890s came from the 'individualist' right and from Labour Association activists. As we have seen LCA deprecated the bad relations with the union - Henry Vivian⁶⁹ commenting on this in 1898 when he described the scheme as 'the superstructure of a higher individualism'. More generally comment was critical - as in 1900 Economic Journal asked if an employee director would replace Livesey.⁷⁰

Nearly twenty years after the scheme was started a growing body of writers began to take it up. Among them was C.R. Fay who in 1912 wrote Co-partnership in Industry which compared Livesey's scheme with Lever.⁷¹ Fay described them as the two main types of co-partnership in England, but omitted to mention Livesey's critique of Lever - thus missing a very real dimension of difference between them.

In 1914 W.T.Layton attempted to make an objective study
72
of South Met. - again pointing out special conditions in
the gas industry. Layton's views were taken up by the Liberal
Party in the late 1920s - and indeed partly embodied in future
Liberal policy. In the same way bodies like the Reconstruction
Society used South Met. as a model of future industry after the
73
First World War.

In the 1920s writers on profit sharing began to use South Met.
as a text book illustration. Writers like Bowie, in Sharing
Profits with Employees were concerned with how rather than why
it worked.⁷⁴

A conclusion reached by most writers was that the scheme owed
the major part of its success to Livesey. In 1918 Sir Benjamin
Browne, who had known Livesey and consulted him about the scheme,
commented:

*'we shall never know how much success was due to
the personal power and influence of George
Livesey - who certainly had the most extraordinary
power of influencing other people to do what he
thought right'.*

75

This view echoed a special supplement to New Statesman in 1914
prepared by the Webbs. They too thought the scheme was totally
76
dependent on Livesey - but also 'illusory'.

Later writers usually described the scheme and ignored the history of the strike. Earlier writers had seen the strike as central. It was not until 1922 that Aneurin Williams wrote that Livesey had let the strike influence him too much. He felt the scheme could stand without the strike. ⁷⁸

It is impossible to deny that the scheme was a great success - it continued to nationalisation in 1947 and was discontinued then with expressions of great regret from participants. Doubtless special conditions in the gas industry had an effect - had the scheme depended on Livesey alone it would not have spread so easily throughout the industry.

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CONCLUSION

In the introduction to this study I asked why the profit sharing/co-partnership scheme set up in South Metropolitan Gas Co. should be of any interest.

- x Historians had approached the scheme from one of two viewpoints - from that of looking at events surrounding the strike, mainly following a concern with trade union history, and the other from the viewpoint of the history of profit sharing. No-one had examined the scheme for itself. There seemed to be an assumption that the 'strike' and the scheme were absolutely linked and that the scheme itself was not worth considering except as a small adjunct of the strike.

Although I have written at some length about the strike, and industrial action and trade union activity around the South Met. Company, I had intended to show that the strike was in many ways an incidental event in the long history of the Company. It can be seen that ideas about partnership involving different types of profit sharing had existed, at least in the mind of George Livesey and some of his associates, for many years before 1889. These ideas existed quite apart from any relation they may have had to union 'bashing' pure and simple.

Livesey and the South Met. Company may have been hostile to unionisation and to any ideas of joint action by workers.

More than that they were hostile to any concept they thought related to 'socialism' as they understood that term, and any ideas of worker participation probably included ideas that it would replace worker action. Nevertheless these ideas have a separate existence and have strong links elsewhere.

The strike can then be seen as a trigger; the event which gave Livesey the chance to persuade the Board of the South Met. to try his ideas of worker involvement.

It can be seen that the scheme is a very sophisticated affair. Textbooks on profit sharing outline many different sorts of scheme; most of them are considerably less complex.¹ The initial bonus scheme was a clever mechanism which, while outlawing strikes, provided a direct incentive to economical working and gave participating workers something real in cash terms. At the same time it could be demonstrated to have cost the Company virtually nothing. As Quarterly Review pointed out in 1905, the initial cost of the nest eggs was less than one weeks wage bill to the Company - and a lot less than a strike.² From then on, as Livesey had often boasted, improved and more efficient working carried

the cost of the annual bonus. Money ploughed back into Company stock meant that most of it remained available to the Company as working capital.

Nevertheless the money belonged to the employees and even if it was only available for uses of which the Company approved it still meant that workers who would not otherwise have been able to do so bought houses and had lump sums with which to emigrate.

At the same time as the scheme was developed the Company was able to encourage and discourage workers of whom it approved or disapproved and so mould the workforce as it wanted. This discrimination could be exercised in such a way as not to appear politically discriminatory. They could be seen as not in opposition to union activists but against the feckless and the frequenters of pawnshops. This discrimination could thus be exercised against a background of the attainment of respectability reinforced through thrift and abstinence from strong drinks - values to which many labour activists might also adhere to. How then could their value be denied?

Work at South Met. began to appear as a privilege - a means of employment only to be offered to those who could reach these high standards. Through offering this privilege the Company was able to attract workers whose 'loyalty' to the Company would be without question and would were also to be

seen to offer a service to the community which the industry served.. This may explain today the loyalty still felt by SEGAS employees to the industry in which they work.

The gas industry was changing - becoming more conscious of its role as a public service and at the same time involving new and more complicated technologies. The scheme helped South Met. to adjust to this new world and to be successful in it through recruiting workers with 'loyalty' and respectability.

The scheme was, of course, the work of one man. Nevertheless he was able to built on policies laid down by the South Met. Board during his father's term of office between 1840 and 1871. Those years had seen South Met. dedicated to an ideal of low gas prices in order to maintain good relationships with consumers - the local authorities. They had also seen the building up of a welfare facility designed to cushion the lot of workers who were old or ill. This welfare system had been built up with a view to making the individual worker more independent of charity. It has been designed with the hope that the worker would then be able to make decisions about his own life for himself. There was a strong religious element which was persuaded that it was the employers' duty to treat his workforce with a degree of humanity - and to give the worker facilities for improvement - albeit of a religious nature.

Livesey's earliest views about participation of the gas industry are known to have been formed when as a teenager he attended protest meetings organised by the 'consumer' movement before the formation of the Surrey Consumers Company. He felt strongly that it was the Company's duty to forestall this criticism by meeting it halfway. Had the companies selling gas in South London then dropped their prices a little the agitation would have ceased. As it was they did not do so and then rival companies were formed to force them, through competition, to drop their prices a lot.

This attempt to meet criticism halfway can be seen as a recurring theme in Livesey's conduct of affairs. In the same way in 1872 Livesey was offering extra pay with holidays to South Met. workers before strike action took place.

Livesey also tried to look behind the demands and see what it was that the critic 'really' wanted. The consumers did not 'really' want to start a company of their own; what they wanted was cheap gas and the existing company was not going to fulfil that demand. In 1872 the workers wanted an assurance of co-operation from management.

Livesey's action in 1872 is more complicated than a mere meeting of criticism to forestall strike action - the rise in holiday pay also involves an incentive that it be only given to those who 'work well'. In 1889 the same criteria

was to apply - to offer something before action took place. The workers, in Livesey's view, 'really' wanted security, more money, the chance to fulfil aspirations for their own home, a place in society - respectability. Livesey was able to tie these aspirations into a package of incentives designed to help meet those aims by a method entirely acceptable to the Board.

These views were allied to Livesey's Christian commitment. It is easy to disregard these in the context of generalised Victorian public religious expressions. Livesey had a lifetime of commitment to his church and to the temperance movement. It is not easy to say in this light that it was done because it was fashionable. Livesey did believe that men could be made 'better'.

The advent of Livesey into the forefront of gas politics with the proposals concerning the sliding scale at the 1872 Select Committee brought forward his basic idea of 'partnership' and was to be a constant theme from that time.

Ideas about 'partnership' had been put forward by Christian Socialists in the 1840s but Livesey was to reject the socialist label and turn instead to 'individualism' - within which the idea of partnership is seen as an alternative to socialism in the industrial setting. Livesey seems to have viewed socialism as purely antagonistic - a variety of theft within which co-operation and partnership did not exist and only the trade union demagogue held sway.

He nevertheless thought that society should be changed.

In constant letters and speeches during the 1870s Livesey put forward not only ideas about the sliding scale and the workforce but also related those ideas to society in general. For example, in 1877, in a letter to the Journal of Gas Lighting he described the attitude of gas company directors to their workers:-

"I once heard it said by a director to a gas manager 'let a man do his best and rely on the directors for suitable remuneration'. It was true that such a recommendation was unfortunate seeing that the Directors referred to never gave anything to anyone in their employ without being asked for it I do not think those Directors stand alone." 3

At the time of this statement Livesey was conducting a campaign against commissions to salesmen in the gas industry - he thought it was morally wrong. These two ideas can be seen together. Livesey who in 1877 still an employee of South Met. , was not afraid to attack his employers if that also meant he was attacking the evils in society as he saw them. But these attacks sometimes meant direct conflict.

He told the Deptford Socialist about his dissatisfaction with society and his dislike of the idle rich but his most unequivocal statement came in a letter to the Times in September 1906. He said;

*"I do not think property is divided properly ..
not nearly as well as it ought to be. The position
is a very serious one. The minority has nearly all
the property and the majority are propertyless."* 4

This conclusion would have drawn many others to socialist ideas - but Livesey continued to see socialism identified with a power struggle in the workplace between management, innocent workers and some sort of alien influence - something from outside and only interested in destruction.

Livesey saw the answer in helping the dispossessed to get property. In this way they would have an investment in the country and cease to be, what he saw, as a threat to stability.

*"the right to property is the foundation of
liberty and if a man is not allowed to own
what he earns or the product of his labour
he is not a free man"* 5

property not only gave men a stake in the country but educated them in responsibility:

*"they have learnt that there are two sides to
the question of labour, and that it is not the
only factor for producing profits and creating
wealth. By becoming shareholders they learn
something of the risks and ups and downs of
capital and their views are enlarged thereby
.... many of them have by means of their
savings ... become the possessors of their own
houses".* 6

for this means the joint stock system was ideally suited:

"thousands of millions of capital are invested in the hands of joint stock companies from which the greater part came from the middle classes ... the twentieth century should do as much for the working classes as the nineteenth for the middle classes."

It is also of note that mass ownership of shares in the South Met. Company could become a sort of substitute public ownership. By creating in the Company what he described as a 'partnership' with shareholding among consumers and workforce, Livesey had made the threat of municipalisation more remote.

The scheme can be seen as a success in that workers in South Met. - in South London gasworkers were sometimes seen as elite - as interviews indicate - L first half of this century. Many did own their own houses and have some sort of investment in the country. Public ownership was staved off until general nationalisation in 1947. Co-partnership was wound up despite protests from the workforce

'The saddest part of the proposed nationalisation scheme ... will be the end of co-partnership and what do we get in exchange? ... as citizens we will become part owners as shareholders we receive perhaps 3% on our holding instead of 5% - as workers we help elect a Board of Directors .. at whose deliberations we have a representative ... we will now have an Area Board appointed by a Minister'. ?

Livesey died in 1908 and the scenes at his funeral when the entire workforce marched behind his coffin to Nunhead from the Old Kent Road, testified to the impact he had made on South London. Shops and businesses closed for the day and people lined the streets. The workforce encircled the cemetery three times and were still leaving Old Kent Road when the coffin arrived at Nunhead. He was, after all, first of all the manager of local gas works.

CONCLUSION - NOTES

1. cf. for example. D.Schloss - Methods of Industrial Remuneration. Williams & Norgate. 1894
2. Quarterley Review. 3/05
3. Journal of Gas Lighting 3/8/77
4. Times 8/06
5. Co-partnership Journal September 1907
6. Livesey. Profit Sharing a Vindication. op cit.
7. Journal of Gas Lighting 15th July 1902
8. Co-partnership Journal September 1907
9. ibid January 1948.

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