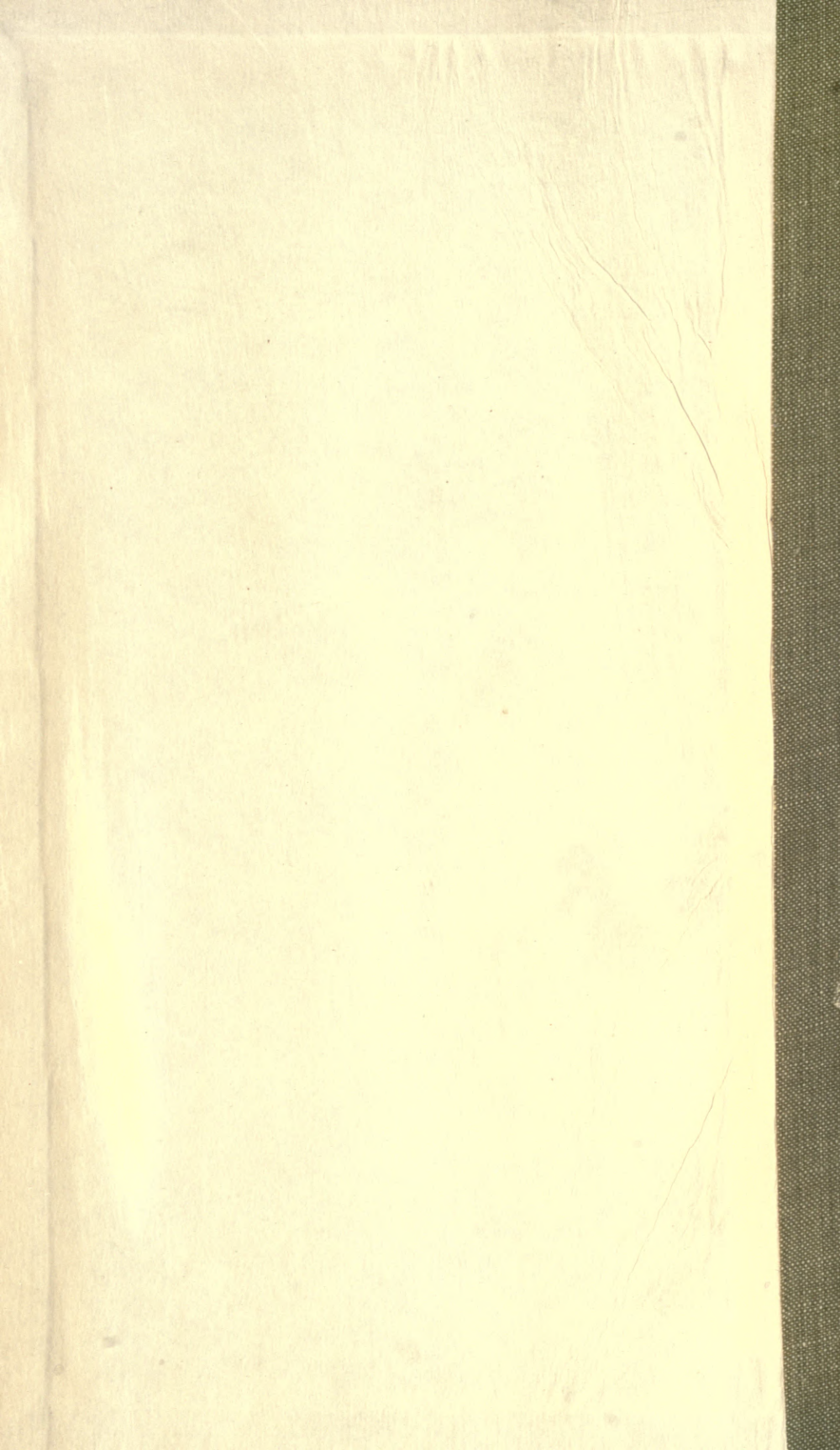


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THE EMPIRE REVIEW

VOL. XXVII.

FEBRUARY, 1914.

No. 157.

THE LAND QUESTION

A REPLY TO MR. LLOYD GEORGE

By E. G. PRETYMAN, M.P.

(President of the Land Union)

No great political or social change involving the daily bread of thousands in this country should be made by legislation without careful and impartial inquiry and on evidence that can be relied upon. But on what evidence and on what authority are the proposals—the extraordinarily drastic proposals—of Mr. Lloyd George and his friends made. They have held an inquiry—a secret inquiry, as it has been called—and the Committee who held that inquiry have issued a report. There is a good deal in the report which is valuable and interesting, but it is entirely one-sided. The Committee were all of one party; the witnesses whom they examined were presumably all of the same party; the name of not one of them has been made public; and we have no means whatever of testing their evidence. I do not say that all the evidence is valueless; I do not say that all the statements made are unworthy of credence; but I do say that upon one-sided evidence of that kind given before a Committee composed of members of only one party it is impossible to found or accept legislation.

Before legislation is proposed by a responsible Government, legislation affecting, as this legislation will, the livelihood and the property of millions of people in this country, there should be impartial evidence available on both sides of the case. However much truth there may be in the side of the case as presented in the report of this secret committee, it cannot be sufficient to act upon without hearing the opposite side. Let us have English justice and fair play before any Government is allowed to introduce changes of this description.

We are also entitled to examine why this policy is suddenly
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introduced. The purport of Mr. Lloyd George's policy is obvious from the opening sentence of his speech at Bedford. In the first place he desires to divert public attention from other questions of policy with which the Government have reason to believe the country is profoundly dissatisfied. Another object is to obtain votes on a policy of vague promises spread before the people's eyes exactly as was done on the introduction of the People's Budget, and by that means to obtain another lease of power. I do not make that statement on my own authority. I quote from a speech by one of Mr. Lloyd George's most prominent followers in his land policy—I refer to Mr. Outhwaite, who, speaking a few days before his leader, and no doubt having a most intimate knowledge of his mind in all matters regarding land, said: "I base my faith as to something being done by Liberal Ministers on the fact that Liberal Ministers wish to remain in office, and the time has come for them to find a new policy." I hardly think that it is to the credit of a Government or of a Minister of the Crown that with that object and on this evidence he should attempt to over-set the great industry of agriculture.

When I mention agriculture I refer to agriculture as a whole. I speak of the land of England and of all who are cultivating it—labourers, farmers, and landowners; and I venture to remind my readers that this land system of ours, which Mr. Lloyd George blames for all the evils he has been able to discover in our agricultural system, has enabled British agriculture to weather the worst time of depression the agricultural industry of any country has ever had to face. Look at what we suffered for some twenty to thirty years. How was that storm weathered? By the sacrifice of all parties. Many went down. Particularly was this the case with smaller landowners. No more beneficent force existed in English society, or does exist to-day, than the landowner whose property is not very large and who knows everyone upon it, and between whom and his tenants there is mutual respect and regard. From such stock spring our greatest soldiers, sailors and Empire builders. Families of this description have been crushed out of existence partly by bad seasons, but owing mainly to the competition of free imports from every country in the world.

At the same time, agriculture has been obliged to conform to the conditions of a great industrial community, incurring expenditure upon a scale wholly impossible for a purely agricultural country. In addition to that, a grossly unfair share of national burdens has been borne, and is being borne, by the agricultural industry. But the present land system has enabled agriculture to weather the storm, and I think that is a credit to the system.

I do not say the system is perfect, but I do say that agriculture is an industry in which there is a real knowledge and a real sympathy between employer and employed. It is not carried on by great limited liability companies, where in many instances the shareholders have no intimate knowledge of the workers, and the workers are consequently easily led to believe that their only friend is the demagogue. That is certainly not the case with agriculture. Simplicity, remember, is strength, and it is the old-fashioned simple relationship between man and man to which we owe so much and which should not lightly be overturned. It is also to be remembered that in agriculture the human element is still a factor. Farmers are independent units and cannot all be drilled to conform to one method or one standard of cultivation. There is infinite variety both in the products of cultivation and in the cultivators themselves. Mr. Lloyd George must first destroy the independence and personal initiative of the farmers before he can subject them to the control of the officials of his new Minister of Lands.

Mr. Churchill said at Dundee that the Liberal Party dealt with causes and not with symptoms. That was a wise and noble sentiment. But if you are going to deal with causes you have to make a proper diagnosis, and find out what the cause of the trouble is. That is the point I wish to emphasise. I admit that there are parts of the country where agricultural wages are much lower than they ought to be and than we should like to see them. I am also prepared to admit that the housing difficulty in the rural districts is a most acute one, and there are cases in which the land is not being as highly cultivated as one would wish to see it. But in saying that I am not referring to agriculture as a whole. I am not holding a brief only for the minority of discontented farmers and underpaid and badly housed labourers. I wish also to speak for the majority of good farmers who are cultivating their land properly, and who are a credit to their industry although they do not talk much on public platforms; and for the contented labourers who are well housed and in as good a position as the workers in any other industry.

Now what are the real causes of the deficiencies so far as they do exist? Mr. Lloyd George blames landlords for not building cottages. Where are they to find the money for building cottages under the system of taxation which he has imposed upon them? He stood up himself in the Queen's Hall and told the landowners of England that he had started out to tax them out of existence. I do not know that they would mind so much what he said if it had not been for what he did. When you put the two together there is little to inspire confidence or encourage the spending of money on house building.

What has he done? Under his famous Budget of 1909-10 he has imposed an extraordinary system by which all the agricultural land, as well as the other land in the country, is to be valued, presumably in order to undergo some new taxation. It is not much of a help to the solution of agricultural problems when such cases as the one to which I am going to refer occur. There is a small farm in Surrey, owned by its occupier, who purchased the freehold twelve years ago for the purpose of making his living by cultivating it, which he is still doing. The area of the farm is 115 acres, and the owner and occupier has just received a bill for £143 for Undeveloped Land Duty, assessed under Mr. Lloyd George's Budget. That is the way in which he encourages agriculture. One of the bills issued to announce his Bedford meeting bore the legend: "The work of Reform has already been begun. A National valuation of all land is being made"—and this is the use to which it is being put!

I happen to have a little land, and curiously enough I have only had one valuation of a farm served upon me. Whether it is typical of the valuations that are going on I do not know, but it may interest the public to know the particulars. The farm in question is a clay farm of 240 acres, situated in Lincolnshire, and let at £240. I do not think the rent is too low; it is a fair rent. This farm of 240 acres is protected by a sea wall, but for which two-thirds of it would be under the waters of the North Sea. The gross rent is £240; there is a tithe of £21 9s. 9d.; land tax, £7 6s.; insurance, £1 9s. 6d.; Humber bank rate—that is, the wall to which I have referred—£21 9s. 9d.; and the property tax, £12 6s. 6d. The total outgoings—these have nothing to do with maintenance and repairs—are £64 1s. 3d., leaving a net rental of £178. The accounts sent to me by the builder who does my work there, show that in the last twenty years I have spent £1,300 upon the house, buildings and cottages on that farm. That is an average of over £60 a year for twenty years. Therefore the total sum I have received in twenty years for that farm is at the rate of about £120 a year.

Now here is the valuation. The total value of the farm is placed at £8,350. Bear in mind for a moment that Mr. Lloyd George holds up this valuation as the method by which the farmer is to get his land cheap when he purchases it from the landlord. In this case, if he had to pay upon the Government's own valuation, he would have to pay 70 years' purchase of the net rent actually received by the owner. It may be said, "Oh, but perhaps the farm has a building value." It is a clay farm absolutely without building value, and this is proved by the fact that the agricultural value is placed at £8,243. The assessable site value, which is supposed to be the value after all the buildings

have been removed and allowing for all the improvements man has made, is given at £6,350, on which the unfortunate owner and occupier may have to pay the rates in future.

Several questions affecting the legality of agricultural valuations are at the present moment *sub judice* before the Courts, and I have protested against this particular valuation on the ground that the figures are subject to alteration when the final position of the law is decided; but the Valuation Department will not accept this, and require a counter-valuation returned within sixty days, failing which every figure that is on the Government valuation will become statutory and fixed for ever. That is one of the beauties of Mr. Lloyd George's legislation. No matter how ludicrous the value put upon a piece of land, if within sixty days the owner has not made a counter-valuation of his own at his own expense, involving endless trouble and elaborate study of a most difficult enactment, the value fixed by the Valuation Department becomes statutory and final. The size of this farm is 241 acres, but the size as entered on the valuation is 286 acres. God made the farm 241 acres; its statutory acreage, according to the law of England, is 286 acres.

Let me remind my readers that all these promises now being made of the regeneration of the land are identical almost to a word with the promises made on the introduction of the People's Budget. Surely a proper introduction to any land proposals by Mr. Lloyd George would have been for him to recall to his audiences the promises and prophecies made by him in 1909 when introducing that Budget. He should have been able to stand up and say: "When I introduced the People's Budget I told you I was going to give you refreshing fruit. I told you that the new Increment Value Duty was my patent, that nothing like it had ever been introduced, that it was going to revivify the building trade and advantage agriculture, that it was going to free the land, and that every citizen from one end of the country to the other was to be the better. Now that my promises have been fulfilled you are all better off. The land is all free, every working man has his house at a cheaper rent than he had it before, builders can get land much more easily, they can borrow money much more easily, and the building trade and the land development trade is going on so that houses are plentiful, and everywhere in town and country the working man has a roof over his head. Now I ask you to follow my action when I introduce a new land policy which is going to make you happier still." But it is remarkable that there was not one word from beginning to end of the Bedford speech about the People's Budget. I think that silence was even more eloquent than Mr. Lloyd George himself. There is a very old proverb which the

people are remembering, "Once bit, twice shy." The people of England having been bit by the People's Budget will be rather shy of Mr. Lloyd George's new land policy.

Agriculture is our greatest industry. It is the most important of our industries. It is a national industry, and if the agricultural question is to be properly approached, it must be from the National and not from the Party standpoint. To go into the arena as a party politician, attacking one class and stirring up hatred in the villages of England—that may be worthy of an agitator who stands at the reformer's tree in Hyde Park, but it is not worthy of the Chancellor of the British Exchequer.

Agricultural troubles are largely due to the burdens that have been placed upon us. One of the merits which Mr. Lloyd George claimed for his Budget of 1909-10 was that under it he was going to get more Death Duties out of the land, as the total value of the land was in future to be the figure for Death Duties. If that is so, the duties chargeable on my death in respect of the farm to which I have referred would be based upon the sum of £8,350. The duties would probably be at the rate of 10 per cent. Estate Duty, and 5 per cent. Succession Duty. This would come to £1,200, or ten years' entire income, the net rent received by me being £120 a year. I merely give this as an example. Can any industry stand taxation such as that? If the State steps in and confiscates from the landlord ten years' available income, how can he put money into the land or build cottages?

Is it likely that capital will flow into an industry from which so small a return will be received? Capital is most sensitive. Nobody knows that better than Mr. Lloyd George. The Chancellor of the Exchequer has a very good knowledge of where capital can be most remuneratively invested. Surely he cannot pretend to believe that there is any reasonable hope that capital will be invested in land and in the equipment of land when it is subject to burdens of this description. That is how the owner is hit.

Then there is the occupier. Where does he stand? Why should the occupier of an agricultural farm, or the tradesman with a little shop pay a larger proportion of his income to maintain national education and the main roads of the country than the man who has his money in foreign investments? Whether a man's investments are in stocks or in land, or in anything else, he ought to contribute towards the national expenditure according to the amount of his income, or, in other words, according to his ability to pay. But in the present state of things the man with a small shop, the man occupying a little house in a town, and the farmer—particularly the farmer, because land is his stock-in-trade—have to pay not only their share of the Income Tax and all the other taxes, but, in the form of what are

called local rates they have to find many millions to meet expenditure which is purely national. I have figures from 1891 down to the present year, showing the amount of the rates in the union in Suffolk in which I live. From 1891 to 1900 the rates were never more than 1s. 8d. in the £, and in the year 1893 they were as low as 8d. That meant that the rates on a £4 cottage rated at £3 10s. would amount to something like 6s. a year. Since 1900 the rates have been gradually growing. In 1910 they were 3s. 8d. in the £; in 1911, 4s. 2d.; in 1912, 5s. 2d.; and this year I am told they are to be 6s. in the £. Why is that? It is mainly because of the enormous cost of national education and the burden of maintaining roads which have ceased to be a local and have become a national, and a wholly national, interest.

So far as the agricultural industry is concerned, I am sure I misrepresent no farmer and no landowner when I say that we do not desire to escape one iota of our fair share of the burden, but what we do complain of is that we are bearing more than our share. I submit that the cost of main roads, and a very large proportion of the cost of national education, ought to be taken off the local rates and borne by the National Exchequer; and that is a plank in the policy of the Unionist Party. We are determined that that reform shall be dealt with. How would this affect the labourer? When the Agricultural Rates Act of 1896 was passed it was virulently attacked by Mr. Lloyd George as a "dole to the landlords"; he and his friends declared that the whole of the money would pass to the landlords in the form of increased rents, and he even went so far as to charge the occupants of the Government bench with legislating for their own personal advantage, and declared that the Act would put vast sums into their pockets. It is now possible to examine the results of this Act from the figures published in Government blue books, and these show that within four years of its passing the wages of agricultural labourers in England and Wales increased by over £1,200,000, almost the exact total of the relief given to agricultural ratepayers, whilst in the same period the profits of farmers fell by £600,000, and rents fell by over £1,000,000. It is obvious that but for this Act the wages could not have been raised in a time of such extreme depression. But the farmers felt that the labourers had stood by them and were entitled to their share of the relief. In the same way, if the labourers now stand by their employers and assist them in the work of reforming our rating system and removing the unfair burden which now presses upon the agricultural industry, increased wages will be the first charge upon that relief.

The greatest and the most acute of the difficulties from which agriculture is suffering is a deficiency of houses in rural districts.

Where a labourer is receiving a reasonable cash wage and has a good house and garden at a nominal rent he is certainly no worse off than the average workman in any other industry. But the house is an enormous factor, and to provide more houses is, to my mind, the first essential in any rural policy. It is the duty of the landowner to provide houses necessary for the work on his farms—not every house required for the working of every farm, but a reasonable supply of houses—but he cannot do it unless the State will give him some reasonable encouragement by reducing the enormous burdens which are at present laid upon him; and if those burdens are reduced the first application of the money should be in the direction of the erection of houses upon agricultural land for agricultural labourers.

There is a good deal of talk to-day about what are called "tied houses." It is said that the agricultural labourer ought to have a house provided by his employer, but should be perfectly free to work for whom he likes. I am inclined to think that the worst sinners regarding houses are not the landlords or the farmers, but the State itself. How many houses does the State build for its own employees in the rural districts? Mr. Lloyd George attacks landowners because some of their houses, he says, are insanitary. How many houses has he, as Chancellor of the Exchequer, built for rural policemen and rural postmen? And how many houses are provided by local authorities for the men who work upon the roads? Surely it is their duty to provide houses for their own people before they find fault with us for not providing houses for our work-people. As for "tied houses," about which Mr. Lloyd George talks so glibly, he himself lives in a tied house at the Treasury, and what would he or the Postmaster-General say if they built a pair of houses for two rural postmen, and then when they had got in the postmen said, "We are not going to carry letters any longer; we are going to work for Farmer Giles." It is absolutely necessary that you should have upon a farm a certain number of confined labourers to do the work of the farm. Cows have to be milked and animals have to be fed on Sundays; all stock work has to be carried on continuously. I certainly agree with Mr. Lloyd George in one thing he said. I maintain that the agricultural labourer in this country is as skilled a workman as is to be found in any other trade. The reason why his wages are lower than in some trades is that the profits of his industry are very much smaller than obtain in the case of other industrial concerns. If the landowner provides a house for a labourer to live in, it is just as necessary that that labourer should work for that employer and on that farm as it is that Mr. Lloyd George's cook should live in his own house. I do not know what Mr.

Lloyd George would say if his cook refused to work on Sundays, or said that she proposed to work at something else, but still intended to live in Mr. Lloyd George's house. It is absolutely necessary that a certain number of houses should go with the farm. To my mind the cry about tied houses is considerably overdone. The last thing an employer wants to do is to part with a good labourer when he gets him. Did you ever hear of a good labourer who was giving satisfaction to his employer, or, indeed, of any labourer without good cause being turned out of a house?

But when you come to what are called free houses, then I venture to say that under modern conditions free houses are no longer a purely agricultural problem. An immense proportion of our villages are within reach of some industrial work, and when there is a perfectly free house in a village empty, it is a very common thing that the agricultural labourer cannot get it because somebody who is receiving higher wages in the town will come and occupy it and cycle every day to his work. That is a practical thing which we who live upon the land know full well, but which Mr. Lloyd George and his friends apparently do not know or understand. Tied houses, as I have said, ought to be provided by landowners. Free housing, however, is a national question.

It is suggested that free houses might be provided out of money advanced from the National Exchequer. I do not say that this might not have to be done in the last resort, but to my mind it is a most unfortunate thing for the State to have to step in and do work which it is much better should be done by private enterprise. Do not understand me to mean that the State should do nothing.

The State can do a great deal, but I think the State can best spend money in encouraging Public Utility Societies, which are growing up every day, to find capital and build houses which working men can purchase on the instalment system and thereby, without being subsidised by the State, get the best form of security of tenure available. I believe that immense progress can be made in that direction. Even to-day, under most discouraging conditions, considerable success is being achieved by public utility societies in providing houses in this way. Work undertaken by the State is always costly, laborious, and difficult to bring to a satisfactory conclusion. The genius of Englishmen is for individual effort, and if Englishmen are put on their mettle and left free to carry out an object in the best way, you will get that variety of effort which is the only manner in which improvements are effected. But if you get a dead level by the State you are not so likely to succeed. The plans of the cottages would be submitted to a Committee; finally, a standard would be evolved probably quite unsuited to many districts. But if we get practical

men who will lay themselves out and compete with one another in making the best use of local opportunities, you will be more likely to achieve success.

The cost of building has enormously increased. Mr. Lloyd George says, in so many words, that the difficulty is that you cannot get the land, that the land is too dear. I say that is absolutely false. There is plenty of land to be had. Land can be obtained cheaply enough in the market anywhere in this country to-day. Mr. John Burns stated in the House of Commons last April that so far as working-men's houses were concerned, the cost of the land did not influence the rent by more than a halfpenny a week. It is the cost of building that constitutes the difficulty. Building materials are more expensive. Another difficulty is the increased interest which can now be obtained for money. That, again, is largely a question of security. If you borrow money to-day you have to pay more interest than you had. These facts make it very important to be able to devise the cheapest possible method of building houses compatible with sound construction—a problem which can best be solved by private effort.

And now let me say a word about small holdings. The Government have instituted a system of small holdings carried on by the County Councils. Land is acquired and let to applicants. Those applicants have to pay rent for the land; they have at the same time to pay a sinking fund to repay to the County Council the whole of the cost of the land; and then at the end, after they have paid for the land, they still remain tenants, the land remaining the property of the County Council. That does not seem fair, and the rents are high. The system inaugurated by the Government and adopted perpetually in the House of Commons is to hold up one county in competition with another, and to blame one county because it has not provided as many small holdings as another. Surely it is obvious that the agricultural conditions, the nature of the soil, are wholly different in different parts of the country. Whereas a man can get a living upon a small holding if the land is good and in a suitable situation with a handy market, it is quite obvious that he cannot do so when he is placed upon a piece of bad land a long way from a market. My view of the way to deal with small holdings is this. Small holdings should be grouped in suitable situations, and men from any part of the country should be entitled to apply for them. In such groups associations of small holders should be formed, where they can get the advantage of mutual co-operation in various forms.

In my belief the way to deal with that question is again through public utility societies. I know three cases at the present

moment—those of Major Poore, the Duke of Bedford, and Mr. James Mason. These three gentlemen have sold land to companies of working men who have purchased from them in one block as a company, and then every individual member of the company takes his piece of land in proportion to his share in the general capital of the holding. The advantage of that is that it does not involve the finding of so much capital. Where a landowner has reasonable security for the payment of the money, in many cases I am quite certain he will be perfectly prepared to take payment by instalments.

Here the owner has the security of the company, and the company pays an annual instalment to cover interest and sinking fund ; and after a period of years—thirty-five, I think—the land becomes their absolute property and the owner has received the interest and the price due to him. Nobody is asked to find any capital because the landlord already has his capital in the land, and he is gradually bought out without anybody else having to come in. The security is found by all the individuals who constitute the company standing together and mutually backing each other. That is an additional safeguard, for you may be sure that where working men have to be jointly responsible for the payments, they will be very careful that all the members of the company are reliable men ; and it will not fall upon the owner to pick out this man or that man—a very invidious thing to do—nor will it fall to the State to show any favouritism. In the same way it is quite possible that when an owner desired to sell an agricultural estate he would go to his tenants and tell them that if they would form an association and mutually guarantee one another, they could purchase the land and pay for it by instalments. By such means there would be great economy in the expenditure of capital.

Although in the last resort we are perfectly prepared to find national capital in special cases to enable tenants or small holders to purchase their holdings, it must be remembered that our national credit is not as high as it was before this Government came into office. Consols stand at 72, and we know that no very large sum could annually be devoted to such a purpose as this.

A wiser and more important thing for the State to do is to strengthen the Board of Agriculture by placing more money at its disposal, so that by assisting and promoting public utility societies, by carrying out scientific research, by experimental farming, and other methods, agricultural prosperity may be advanced without undue State interference and without undue strain upon the credit of the State.

One more point I wish to make in regard to small holdings, and it is this. We all of us desire as far as possible to keep our

men in our own country ; but, viewing the traditional policy of the Unionist Party, what I feel is that our policy is an Imperial policy. The first watchword of the Unionist Party is the unity of the Empire and the cementing together of all its parts into one harmonious whole. But if a man thinks it is better for him to have one hundred and sixty acres of free good land in Canada than a small area of highly-taxed and highly-rated land in this country, our object ought not to be to prevent him going to Canada so much as to try and cement Canada and this country together, so that the day may come—it may be a dream, but I hardly think its realisation is very far off if our policy can be carried out—when the British agricultural labourer will think no more of leaving this country and going to Canada than of leaving Devonshire to go to Yorkshire, and when we shall view emigration from a very different standpoint from what we do to-day.

I now come to the question of game. Mr. Lloyd George seldom deals with anything less than millions, and in one sentence he stated that millions of people were suffering from the conditions of British agriculture, but a little later on he said that there were only a million and a half of people engaged in agriculture altogether. He said that some untold number of acres was thrown out of cultivation for the preservation of game. I do not hesitate to say that no land is thrown out of cultivation for the purpose of keeping game upon it. But I do know that there is a very large area of poor, miserable land in this country, hardly worth cultivating, but now being cultivated because it is very good for game. I may tell Mr. Lloyd George that you cannot keep partridges and you cannot very well keep pheasants unless you cultivate the land. For if there are no stubbles there will be no partridges. I am prepared to admit that there is in some cases an over-preservation of game. I do not in the least stand up for over-preservation of game. But that is not a common thing ; it does not affect very large areas of land ; and as far as the mangold fields which I have seen throughout the country are concerned, I have not observed that many of them have been swallowed by pheasants. Game does, of course, do a certain amount of damage, but compensation has to be paid for it.

I have every respect for the game of golf, but I cannot help mentioning that I am told that there are 2,500 golf courses in this country occupying something like 100 acres apiece, or 250,000 acres, absolutely withheld from cultivation. Some of it is poor grass land and rough pasture, very like the Highland deer forests, but other golf courses are on land of high agricultural quality. I have in mind a golf course which is now being made. It covers 130 acres of good arable land of high quality. That land is going

out of cultivation. But notice this. Under the remarkable People's Budget, if that land is cultivated for agricultural purposes, it is taxed with Undeveloped Land Duty because it is near a town; but when it is thrown out of cultivation and made into golf links, then it is free from Undeveloped Land Duty.

So far as sport is concerned, I think all sport, whether it be golf, or shooting, or hunting, is a great asset to the country. It is the making of an Englishman that he should take his recreation in the shape of exercise in the fresh air, thus tuning up his body and mind, rather than spending his time sitting at a table on the side of a street drinking something agreeable; and land which is set aside for sport of any kind cannot be looked upon as being wasted. I have made these observations about golf, not for the purpose of attacking that admirable game, but to show what humbug it is on Mr. Lloyd George's part to talk about land being thrown out of cultivation for sport, when the sport in which he himself indulges is responsible for throwing much more land out of cultivation than the sport which he is pleased to criticise.

In conclusion, I have only to say that in making these remarks I have tried to put the other side of the case. I have tried to suggest what I believe to be the path which we should follow. All that we require at the present time is that everybody concerned in agriculture should put his shoulder to the wheel, with the assistance of the State, which assistance we are prepared to accept from either party if given for a National purpose and without party prejudice or political bias. All we ask is reasonable help and encouragement from the State, and we are prepared to work ourselves to secure fair play to all engaged in the industry of agriculture. If the country is determined that the land question shall be brought to the front, if there is to be an inquest of the nation upon agriculture, very well, we are perfectly ready. We do not ask for it—all we ask is for ordinary fair treatment—but we are perfectly ready for it. But let the inquest be a fair one; let evidence be heard on all sides of the question.

Is there any demand for these changes from the agricultural industry itself? Surely farmers are able to speak for themselves. There is the National Farmers' Union, and there is the Central Chamber of Agriculture. When have those bodies asked for Land Courts? I defy Mr. Lloyd George to go into any county centre in England and invite the farmers into a room and carry a vote in favour of Land Courts or the changes which he suggests for their interests. The farmers of England will not have them. The farmers and the landlords have stood together for generations, and we do not want a gentleman from Wales to come and separate us.

To the landlords and farmers I would say this: "Give your labourers fair play." For instance, I say that a farmer who sends his labourers home on a wet day is doing more harm to himself and his class than to the labourer who is losing his day's work. It ought not to be done. I have always set my face against it, and I do not think it is fair. A man receiving a small wage should be absolutely certain of getting it regularly.

Within the last twelve months there has been a considerable rise in the price of stock, and this has been immediately followed by a rise in wages. The figures of the "secret inquiry" are already out of date. Farmers are paying and will pay as good wages as they can afford, but if a minimum wage is imposed by law it is obvious that instead of paying the most they can afford they will pay the least they can be compelled to pay. How the labourer is going to benefit, even if he gets a slightly increased wage, the whole of which is to go in paying an economic rent for his cottage, passes my comprehension. It can only advantage a few single men. To the labourers' wives it will be a new source of anxiety, as rent must be saved and paid out of wages, whereas now it is usually covered by the harvest money.

Fortunately this "campaign," unlike those upon Chinese labour and the House of Lords, is on a subject which rural audiences understand a good deal better than the "campaigners." It is amusing to note that the same "missioners" under the same leadership who preached on Chinese Slavery and the iniquities of the Peers are being carefully instructed to qualify themselves for this third effort. Do the Government really believe that a few hours' study of the report of the secret inquiry is going to fit a lecturer to talk to a rural audience about rural conditions and to persuade them that he can teach farmers how to carry on their own business. Mr. Lloyd George is imposing upon these gentlemen a task which he has not attempted himself as, so far as I am aware, he has never ventured to address a meeting of agriculturists. If, and when he ever does so, I hope I may be there to listen, particularly when questions are invited.

E. G. PRETYMAN.

FOREIGN AFFAIRS

A MONTH OF CALM

By DIPLOMATIST

FOREIGN countries, like ourselves, this month have been busy with home matters. Outside discussions have only marked time. Indeed, the Chancelleries of Europe would seem to be taking a holiday, so quiescent is the state of national affairs. After the eruptions of recent date, the silence appears somewhat uncanny. Can it be that we have suddenly reached the era when all nations are singing peace on earth, good will towards men? I fear not. But let us hope some time may elapse before experiencing a change from the present condition of calm and repose.

Be that as it may, it is most satisfactory to write of quarrels ended, recriminations withdrawn, and to record a rising barometer at the great centres of European activity. Even the British Note, which at one time seemed as if it might produce friction, has gone the way of all things without exciting more than passing interest. A few weeks ago some anxiety prevailed as to what the replies of Germany, Austria-Hungary and Italy would be, and I ventured to throw out the suggestion that it would be a mistake to pursue a policy of alliances versus ententes. But one might have saved oneself the trouble, for the countries in question, realising the true inwardness of the suggestion, delivered their replies separately. True the documents are not quite identical, but they may be regarded as substantially in agreement. More than that, they follow the lines of Sir Edward Grey's proposals, and express willingness to hand over to Greece all the Ægean Islands in Greek occupation except Imbros, Tenedos and a few small rocks at the mouth of the Dardanelles. In addition they clear away any doubt as to the future of Lemnos and Samothrace, by including these islands in the allocation, subject to the retirement by Greece from the districts incorporated in Albania by the recent boundary commission.

As regards the British proposal that the evacuation of Albania

should be deferred to the 18th of this month, that point was agreed to in the earlier reply of the Triple Alliance. But as it has not been found possible for the Greeks to carry out this arrangement to the letter, Germany, Austria-Hungary and Italy are willing to allow an extension of time. And, as I anticipated, the same Powers are at one in their desire to see provision made for the protection of Mussulman minorities in the surrendered islands which are not to be fortified.

Sir Edward Grey now makes the suggestion that all the Powers should communicate collectively and simultaneously to Greece and Turkey the decisions arrived at concerning the Southern Albanian frontier, the Greek evacuation of the districts north of that frontier and the neutralising of the Ægean Islands retained by Greece. The British rejoinder is also understood to forestall certain objections and proposals likely to be made by the Hellenic Government. This action can scarcely fail to have a temporising effect both on Greece and Turkey, and should go far to prevent any further hostilities in the Balkans. It is also satisfactory to learn, as we go to press, that a change has taken place in the attitude of Turkey towards Greece, in the matter of the islands Chios and Mytilene. At first the Porte refused all compensation. Consideration, however, is now being given to the suggestion that as soon as the islands of the Dodekanesos are handed back to Turkey by Italy, most of them should be ceded to Greece. If this be done a cause of friction would disappear. The abandonment of a German Local Command in Constantinople has further assisted matters in the Near East, and can scarcely fail to be pleasing to Russia.

On the general position in Albania the *Times* observes under date January 15.

The Provisional Government and the Dutch gendarmerie officers are confronted with almost insuperable difficulties. Some seven different "authorities" are alleged to exist in different parts of Albania, all of them being more or less independent of each other. Nothing is yet known of the date of the arrival of the new ruler, the Prince of Wied, in Albania. His assumption of his new duties is stated to be contingent upon the consent of the six Great Powers to guarantee an Albanian loan of £3,000,000. Some of the Powers have not yet decided to guarantee the loan. The German Government in particular fears the rejection of the guarantee by a Socialist and Catholic majority in the Reichstag. Other Powers regard without enthusiasm the suggestion that they should guarantee a loan to a country which has already conceded what is practically a financial and banking monopoly to an Austro-Italian syndicate. This concession, unless promptly rescinded, may prove to be a serious obstacle to the financial organisation of the new Principality.

In the course of an excellent speech made at St. Petersburg on the occasion of the annual dinner given by the members of the New English Club, our Ambassador paid a tribute to Sir

Edward Grey's management of the Ambassadors' Conference, and emphasised the unity, notwithstanding conflicting interests, displayed by the Great Powers throughout the period of the Balkan wars. Referring more directly to Anglo-Russian relations Sir George Buchanan observed :—

While the relations of the two Governments continue to be of the most cordial character, the two nations are, I think, being gradually brought into closer touch and discovering how false were the prejudices which at one time they entertained against each other. Diplomats can but prepare the ground for an understanding, which, if it is to be permanent, must be built on a solid foundation of mutual sympathy, mutual interests, and mutual confidence. It is for this reason that I rejoice to see the growing interest taken by Englishmen in this country. They are coming here in ever-increasing numbers—some to visit the historic towns and art treasures; others to associate themselves with the Russians in financial and industrial undertakings, and in these material days nothing counts so much as community of financial interests.

There are many of us here who since childhood's days have known and loved Russia, and we can also help to bring home to our friends in England a better knowledge of the true character of the Russian people and of the vast and varied resources of this great Empire, with its incalculable latent reserve of force that is big with future potentialities. We can all, moreover, whatever our calling in life, endeavour to establish relations of mutual sympathy and confidence with all Russians with whom we have intercourse, either for social or for business purposes, and by so doing we shall be promoting the cause of that Anglo-Russian understanding which we all have so much at heart.

Another guest, the President of the Russo-British Chamber of Commerce, M. Basile de Timiriazeff, spoke in a like strain. In fact he went so far as to say that it was the loyal friendship and mutual support of England and Russia that saved the situation created by the complications in the Balkans. Alluding to the events of 1913 he reminded his audience that in other ways the year had brought good out of evil, and pertinently observed that the preservation of the blessings of peace depended on the maintenance of good relations between the different groups of Powers. English statesmanship, he said, was to be esteemed for the fact that out of the troubles of 1913 it had brought closer relations between England and Germany. By the value Russia set upon peace, and by the efforts she made to preserve it, he welcomed with great satisfaction this development of the passing year.

M. de Timiriazeff is right : the year 1913 has brought Germany

and this country closer together. The unfortunate antagonism of interests which seemed to occur whenever any matter of world policy came on the scene was allowed to drift into feelings of touchiness and bad temper that in the end had a most disastrous effect on the two nations. Things went from bad to worse, ill-natured suspicions gave rise to angry sentiment and a general feeling of dislike and distrust came to be generated. All this has now happily disappeared, we are once again in smooth water, once again on the same old footing of friendship that so long existed between the peoples of the two countries before the situation was disturbed by the inroad of sentiments foreign alike to Britons and Germans. Even during the recent perturbation in naval circles, no harsh word has come from Germany or the German press. I pass unnoticed the screeds of Pan-German publicists; it was only natural these scribes should make an occasion to place their wares in the shop window, but I doubt whether the passers-by even stopped to read the notices.

Unlike ourselves, Germany has a fixed Naval Law, and the provisions of that law will be carried out irrespective of what we do on this side. Germany marches unswervingly to her goal, which is to provide adequate protection both for her sea-borne commerce and oversea possessions and to secure a navy sufficient to maintain German prestige in the council of nations. Let us do the same and all will be well. No word of hostility is likely to arise in Germany. If only our Government had adopted a similar policy it is doubtful whether we should ever have been at loggerheads; at any rate, things would not have gone so far as they did. Other matters of difference of course there were and still are, but the constant nagging and I must say irritating reference to the ship-building programme of one foreign Power assisted if it did not cause the breaking away. Mr. McKenna has much to answer for both to his party and to his country. Not only did he not know what he ought to have known and what he was paid to know, but he did what he ought not to have done and what he was paid not to do. However, there are not wanting signs that his successor in office is fully alive to the mistakes of his predecessor, and it may be expected that when the Naval estimates come to be discussed in the House of Commons we shall hear nothing from the First Lord that is likely to retard the growth of more friendly relations between ourselves and Germany.

During the month the German Ambassador, Prince Lichnowsky, has undertaken a tour in the North of England, making himself more familiar with our great industrial centres and sowing the good seed of closer union between the manufacturers of the two nations. When at Newcastle His Excellency attended a banquet in aid of the German Mission to Seamen. In proposing the

German Emperor, a toast that met with a very cordial reception, he said :

I need not remind you how keen a sailor His Majesty the Emperor is. His Majesty's liking for the sea amounts almost to a passion ; hence his great understanding of everything that appertains to it. For sailors and ships there is always a warm corner in His Majesty's heart, while his penetrating and all-embracing mind enables him to see the well-nigh limitless possibilities of benefiting the peoples of the world by means of ocean communication. He recognises that the sea does not divide, but unites, and that in the perfecting of the means of exchanging the products of their labour lies the most promising hope for the future happiness of the masses of the peoples. It will surprise no one, therefore, to learn that it was not a little owing to His Majesty's support that our new home at South Shields was built.

It is not often so distinguished a foreigner takes part in our provincial functions, and as might be expected the opportunity was made the most of by its promoters, the Ambassador being pressed into the after-dinner oratory to the extent of four speeches. Needless to say, he acquitted himself as to the manner born. In proposing the Mission to Seamen, he aptly remarked that he felt it to be a privilege to bring Britons and Germans into one of those fraternal rivalries—he was alluding to an appeal to wipe out the debt on the Home—in which as in many of the fields of science, whichever scientist passed each other, “the result was always the same, humanity benefited.” Before leaving he responded to the toast of his own health, and in the course of a happy little speech did not forget to eulogise the work done by previous German Ambassadors at the Court of St. James's in the direction of peace and amity. “My desire,” he said in conclusion, “has always been to follow in the footsteps of my predecessors and to cultivate the friendly spirit which has enabled our two powerful nations to look back over centuries of peace and sympathetic aspiration, feeling sure that, with the help of a fuller mutual understanding, and a still better realisation of the possibilities of peaceful development, these good relations will always be maintained.” These sentiments drew hearty cheers from the audience. The British people are determined that nothing shall stand between them and the good will of Germany. What has been said and what has been written is past and gone. We have arrived at a new chapter entitled good fellowship and mutual understanding. May it be fruitful of results to both peoples and to both countries.

No better sign could be given of the advance in the relations between England and Germany than the marriage of Mr. Mitford with the only child of Herr and Frau von

Friedländer-Fuld. The occasion brought together men and women of prominence in the diplomatic, social and commercial world of both nationalities, and the event shows clearly that we are approaching the time when confidence and friendship is ripening into the closer connection of relationship. And while Germany and Germans are getting nearer to us, it would seem that France and Germany are also seeking to bury the hatchet of discord and strife. Not the least evidence of this happier situation is found in the recent dinner given at the Embassy in Paris, at which President Poincaré was the principal guest. This is, I believe, the first time that a President of the French Republic has accepted the hospitality of Germany since M. Carnot dined at the Embassy. Incidents such as these may not be important in themselves, and hardly come under the designation of affairs, but in view of the tension that is supposed to exist between France and Germany, and the sometime friction between Germany and ourselves, they assume a diplomatic importance, showing as they do a change of feeling all round. In this connection, another visit may perhaps be chronicled, that of Prince and Princess Lichnowsky, to the King and Queen at Windsor Castle.

It is unfortunate that we must go to press before the official dinner which the German Ambassador will give in honour of the German Emperor's birthday, but I doubt not that the opportunity will be taken advantage of to emphasise further the progress that has been made in the relations between Germany and this country, and perhaps it may be found possible to give some indication when we may expect the settlement of those economic and political matters in the Middle East, which for some time past have been engaging the attention of diplomacy both in London and Berlin. His Serene Highness has proved himself in every way an ambassador of the first rank, and not forgetting all the spade work done by Count Metternich, we in this country are sensible of the debt we owe to Prince Lichnowsky for the help he has given, not alone in the negotiations with the Foreign Office, but in the wider field of general activities. To his *bonhomie*, tact and sound judgment are due the rapidity with which matters outstanding between the two countries are being brought to a shape that will allow of a settlement both permanent and satisfactory.

Much useful and interesting information was given the other evening when Professor Bohn of Munich University and director of the Hochhandelschule in that city read a paper on German Colonial Policy. Most of us who have reached the age of fifty years are old enough to remember the beginning of German expansion across the sea, so that what Professor Bohn talked about

was a live story to many among his audience. After discussing the question of experience and problems he said :

The colonial possessions of the German Empire covered nearly 1,100,000 square miles, mainly spread over Africa. It was a colonial empire five times as big as Germany, with about 14,000,000 natives, ruled, not always very wisely and not yet very effectively everywhere, but without very great efforts with the aid of a force of 2,400 white soldiers, 744 white policemen, and about 9,000 coloured soldiers and police. The total colonial expenditure for next year was estimated at £9,000,000, of which £4,000,000 would be provided by the colonies, £3,000,000 by reproductive loans, and £1,500,000 contributed by the Empire, the Empire also guaranteeing colonial loans of about £14,000,000 bearing interest of £500,000 a year. Money, of course, had been wasted occasionally. An extremely costly war in South West Africa had involved an expenditure of about £20,000,000, and there had been native risings and extremely silly European settlement schemes ; but the expenditure for the last twelve years had been only £70,000,000, with which had been built up a system of administration growing in strength everywhere.

Continuing, he told us that for a just appreciation of German colonial policy, the difficulties, apart from ignorance, with which they started should be remembered. When colonies were acquired Germany was scarcely an industrial country, and was suffering from deep commercial depression. Germany did not want to sacrifice home development to colonial adventure, and the State was not in a position to finance colonial exploitation on a big scale. Chartered companies were started with ludicrously small capital and failed. He admitted the German peasant was not the ideal settler for a country of plantations and large farms like Africa, and that Germany started on her colonial career with a Continental past. She had spent much energy in substituting Continental for colonial produce, and had used capital in developing home industries, while protecting her agriculture against the competition of her colonies. Nor did he shrink from recounting the mistakes made. The Germans, he said, start with a wrong conception of colonial possibilities ; they wanted to concentrate on Africa the emigrants they were losing at the beginning of their colonial enterprise and to build up on African soil a new Germany, to create daughter states, as Great Britain had done in Australia and Canada. This idea they carried to its bitter end. They tried it in South West Africa and produced a native rising, that caused the loss of many lives and much treasure. They succeeded in breaking up the native tribes, but they had not yet succeeded in creating a new Germany. They were rulers and owners, but even now were building on a native population insufficient for development work and had to import native labour.

Turning to present needs he reminded us that :

The great economic transition of Germany was going on apace. She had more means at her disposal than ever she had had. She had available capital,

and had lent £1,000,000,000 to foreign countries. She was evolving an enterprising, adventurous, and well-to-do upper class. She was gathering experience and laying down clearly the lines of a sober colonial policy. Germany wanted supplies for her people and raw material for her mills. She wanted lands where she could grow them and markets from which she could not be excluded, and found them in her colonies. They cried out for European enterprise and capital, but did not want European emigrants. Their idea of colonisation was not a policy of settlement, but one of commercial exploitation. The question of German colonial policy was a question of native policy. It was not merely a question of how to rule them, for where they were really numerous they were scarcely ruled to-day; it was what they were going to do with the natives when they had the power to shape their fate. They wanted them to be skilful, intelligent, and numerous, for only then could their industry make the colonial empire useful.*

All this is most instructive and gives us some insight into the intrepid character of German pioneers. It shows what can be done by grit and determination. It shows also how mistakes can be made, but the fact that these mistakes are admitted and recognised indicates that experience is not lost on German administrators. The main difference between British and German colonial policy seems to be that while we desire to see, at least, our great oversea dominions settled with European emigrants preferably from the Motherland, Germany's idea of colonisation is not a policy of settlement but one of commercial exploitation.

The efficacy of Protection and the argument so often cited by Mr. Bonar Law that social reform and German tariff legislation originated at one and the same time were both emphasised in the speech made by the Secretary of State, Herr Delbrück, in the course of the debate in the Reichstag on the estimates for the Ministry of the Interior. The *Times* correspondent at Berlin gives an excellent summary of that part of the speech which dealt more particularly with German social and fiscal policy. I take leave to reproduce it.

The amended and expanded Imperial Insurance Laws [said Herr Delbrück] had brought them to "a sort of end" in German social legislation. He examined theoretically the problems arising out of the organisation of employers and employed in order to show the difficulties and the necessity of avoiding haste. Dealing with the question whether German social policy imposes too heavy a burden upon the country, he produced an enormous array of statistics of all sorts to show the wonderful growth of German industry, trade, and wealth, and also the improved position of the working classes. As to the money market, Herr Delbrück made the interesting admission that in the autumn of 1911 there was considerable anxiety as to whether Germany was financially well armed enough to hold out through a long crisis. He did so, however, only to show that, although the Morocco crisis had been followed by the Balkan War, and the whole crisis had lasted for two and a half years, they were now financially stronger than they were at the beginning—and that although German capitalists had seen fit to send money abroad and there had

* See *Times* Report, January 14.

been a heavy outflow of foreign money, which probably would not come back. As to the position of the working classes, Herr Delbrück maintained that wages in Germany have risen more than prices. He denied that the rise in food prices is due to the agrarian tariff of 1902, which he defended as having—in conjunction with the commercial and most favoured-nation treaties—both satisfied the interests of the home market and fulfilled the need for wider and certain foreign markets.

Passing to the question of commercial treaties and German intentions with regard to tariff policy in the event of any changes by foreign States Herr Delbrück said :

Germany's view now was that the existing protection was, upon the whole, sufficient, but that it must be maintained, and that the general direction of their treaty policy must remain the same. German agriculture in particular must keep the existing protection. They were well aware of the wishes of special interests, but these were matters of detail. Their aim must be to continue their existing industrial and commercial policy, and so far as they could see they had no occasion to initiate a readjustment of their commercial relations by denouncing the commercial treaties of 1906. If the States with which they had treaties denounced them, or altered their tariffs in a way which affected German exports, the Federal Governments would not hesitate to take the measures necessary to defend the economic interests of Germany, to repel attacks upon the existing state of things, and to carry through the necessary reforms of the existing German tariff. Meanwhile there would be no relaxation in preparation of material in bringing it up to date and in co-operation with all the interests concerned. Herr Delbrück observed that German social legislation and German tariff legislation originated at about the same time, have grown on the same soil, and must continue to be maintained side by side—the maintenance of the one depending upon the maintenance of the other.

The observations about German wages and the fact that they show an upward grade, higher in scale than the rise in prices, can scarcely be pleasant reading for our Free Traders, while the statement that it is Germany's intention to follow out a policy of retaliation in the event of any change in a commercial treaty by a foreign State must be equally unpleasant to Tariff Reformers. But the gem of the speech for the adherents of a Tariff and Social Reform policy in this country was the concluding sentence in which the German Minister said, "German social legislation and German tariff legislation originated and have grown on the same soil and must continue to be maintained side by side, the maintenance of the one depending upon the maintenance of the other." Here is political food for opposition platforms that should satisfy the most exacting audiences and strike dismay into the ranks of land taxers and free importers.

DIPLOMATIST.

STATE PATERNALISM IN THE TROPICS

By F. A. W. GISBORNE

THE first annual report furnished by Dr. Gilruth, the Administrator appointed by the late Federal Ministry to undertake the management of the Commonwealth's new acquisition, the Northern Territory, has just been issued. Sheridan's familiar quip at the expense of a famous historian might certainly be applied to the authors of this publication, for the contents are distinctly more voluminous than luminous. A record of a year's administration of a region containing less than 3,000 civilised inhabitants of all colours need scarcely fill 157 large pages of print, and the very bulk of the Report (which, perhaps to teach the student diligence, is not provided with an index) obscures its interest to the general reader. However figures, information and pictorial illustrations are supplied in abundance; and after a laborious process of sifting, a fair general idea may be obtained of the present condition of things in the Territory.

Notice may first be given to the mining industry, which, in spite of its rather diminutive proportions, has the honour of receiving the largest amount of space in the Report. The total value of all the minerals produced in the Territory during the year 1912 was the sum of £55,298 12s. Tin came first in value, the year's production of this metal being stated as worth £27,000; gold a close second, and the other minerals nowhere. The average number of men engaged in mining throughout the period was only 626, being little more than a quarter of the number employed on at least one alone of the mines in the southern division of the Commonwealth; and of this meagre band 542 consisted of Chinese. A decline of fifty in the Territory's mining population since the date of the last annual census is sorrowfully recorded. The total revenue derived by the Government from the industry amounted to the substantial sum of £517 5s. and perhaps proved nearly sufficient to pay the salary of at least one member of the official hierarchy in control of it. Although, certainly, after perusing with some distress the thirty-two large pages of print dealing with mining matters, the ordinary reader might suppose

that the industry was suffering acutely from the disease scientifically termed *morbis cordis*, official optimism cheerily affirms that "there is every sign of a renewal of mining activity in the Northern Territory." The unofficial eye is not endowed with sufficient powers of penetration to perceive these happy auguries, so it is encouraging to know that they exist. Possibly, however, should all, or even a few, of the fourteen recommendations submitted by the Chief Warden for the encouragement of an apparently very disconsolate industry be carried into effect, a marked "renewal of mining activity" may follow. For the provision of Government batteries, plants and smelters; the granting of Government subsidies to companies and individuals; the sending out of Government prospecting parties into promising regions; the good offices of Government both as buyer and seller; and the conveyance, either free or at very low rates, of mining requirements and mineral products, with several other similar allurements, would, one might suppose, so stimulate the activities of the company promoter that mines of quite extraordinary promise would soon be plentifully sprinkled all over the country. With a little additional pressure the Government might be induced to pay wages also, and perhaps an occasional dividend, concessions which, no doubt, would be highly popular among both miners and mine-owners. But the Southern taxpayer is becoming painfully conscious that each white resident in the Northern Territory is costing the whole body of taxpayers on an average about £700 per annum, and he thinks he is already bestowing on these favoured citizens more than their fair share of the general wealth.

At present there are only three kinds of occupation worthy of serious notice pursued in the Northern Territory. These are the pastoral, the mining and the pearling industries. The first stands on a sound basis, though it is still but adolescent; the second may be described as teething, and squalling loudly during the process; while the third suffers from a kind of chronic anæmia induced by State interference with labour conditions. At present, it seems, there are only five Europeans and 180 coloured men engaged in prosecuting what ten years ago was a thriving maritime industry. An energetic and costly effort is now being made to add a fourth to this brief list—that is to establish, under conditions consistent with the literal observance of the White Australia doctrine, of which the present Administrator is an ardent disciple, of an agricultural industry in the tropical regions of the far north.

Concerning mining in the Territory, enough has been already said, and the pearling industry in its present state is too unimportant to deserve notice. A few remarks, however, may be devoted to the one really profitable occupation now pursued in

the vast region of which this article treats. The one referred to is that of raising cattle and horses, the former vastly predominating. The number of sheep as yet kept in the Territory is insignificant, principally because the coast country is unsuitable, and the inland plains and plateaux, the Barkly tableland, the Victoria watershed, and the Macdonnell Ranges in particular, all admirably adapted for wool production, are still too isolated and inaccessible for the profitable pursuit of this branch of the pastoral industry.

At the time of the compilation of the latest statistics, an area of country embracing 150,000 square miles, divided into 409 holdings, was held on lease for grazing purposes by 126 individual lessees or companies, in the Northern Territory. Four persons, or associations, held between them 35,920 square miles, the Bovril Estates Company alone enjoying exclusive rights of occupancy over 11,380 square miles of magnificent natural pastures adjacent to the Victoria River; while a neighbouring proprietor held another 10,000 square miles. These extensive holdings, and others elsewhere situated, naturally embrace the very pick of the country, the unleased portion consisting chiefly of tropical swamps and jungles along the coast, and sterile or waterless tracts inland. Few of the leases will expire within the next twenty years, and the rents chargeable range from 6*d.* to 2*s.* 6*d.* per square mile. In certain cases a maximum rate of 6*s.* per square mile may be enforced. The present Director of Lands complains with some reason of the undue liberality in regard to the wholesale letting of land exercised by South Australian Governments in the past. The officer in control of the Territory's finances has even greater reason to feel dissatisfied with a condition of things under which, in return for rights almost tantamount to ownership enjoyed over a region considerably exceeding in superficial area the whole of the United Kingdom, the beneficiaries collectively are only required to contribute yearly the modest sum of £9,000 to the public revenue. Moreover, the locking up in a few private hands for many years of gigantic blocks of the best lands in the Territory necessarily obstructs the progress of effective settlement. The patience even of Mr. Lloyd George might give way were he translated to the position of Chancellor of the Exchequer in Northern Australia. Even the despised English duke would seem to him a rural philanthropist compared with the proprietors of, say, the Victoria Downs Station, where at present 130,000 cattle are depastured, and where, in a tract of country three times as large as Wales, there are only to be found thirty civilised inhabitants. Surveying such an example, the author of "Utopia," if restored to life, would find stronger justification for denouncing the pastoral occupation as inimical to

the interests of humanity than could be found in Tudor England of his own day. It must be confessed that the Australian labourer Gracchus is entitled to regard the Northern Territory as ripe for a drastic agrarian reform, seeing that so long as the present state of things continues the squatter must bar the door against the small grazier and the cultivator. The profits of the industry in its present condition cannot be accurately estimated, but undoubtedly these are absurdly incommensurate with the magnitude of the properties from which they are derived. Last year, it is stated, only five or six head of cattle on an average were kept on each square mile of land leased; and only 45,529 cattle, 1,241 horses, and 3,268 sheep were exported from the Territory. These would be worth altogether, at the prevailing rates, about £200,000. In other words, each square mile of land leased for pastoral purposes last year returned the sum of about £1 6s. 8d. This can hardly be considered profitable settlement.

The recommendations of the Administrator's expert advisers in regard to ameliorative measures seem to be excellent. These include the establishment by the Government of model and experimental cattle, horse and sheep breeding stations in convenient localities; the resumption on fair terms of large areas of good pastoral country now inadequately utilised; the provision of water supplies along the stock routes; careful investigation into the causes of the prevailing diseases, such as tick fever, swamp cancer, redwater, and the curious but most deadly ailment, to which horses are specially subject, known as the "walkabout" disease, with a view to their prevention or cure. The "walkabout" disease, by the way, in Australia is by no means confined to quadrupeds. It rages virulently among political bipeds also. Further, it is suggested that roads and railways should be extended into the most promising districts, where, by the aid of such conveniences, sheep would soon displace cattle. Financial restraints, of course, must delay the complete carrying out of this rather extensive programme; but a good beginning has been made in the decision to commence at an early date the construction of an additional instalment of the trans-continental railway from Pine Creek to the Katherine River. A tract of country, also, has been acquired by the Government at Bitter Springs, where it is intended to establish an institution officially described as the "Mataranka Horse and Sheep Experiment Station." The good suggestion has been made by the Administrator that the Commonwealth military authorities should establish a large horse-breeding station in the Macdonnell Ranges, a region admirably adapted to be the future nursery of the Australian cavalry. A hope may respectfully be expressed that the proposal will ere long be adopted.

Important as the pastoral industry is to the Northern Territory the future mainstay of that great region must unquestionably be agriculture. Indeed, it is no exaggeration to say that on the successful and speedy solution of the economic, climatic and other problems involved in the establishment of a settled, self-supporting agricultural population in the Territory depends its permanent retention. A handful of nomadic miners, pastoralists and Government officials cannot form a sufficient garrison for a country superficially greater than the territorial possessions in Europe of two great Powers, and lying at the threshold of the most densely inhabited regions in the world. One must grant the present rulers and administrators of the Territory credit for recognising the urgency of the case; although many not unacquainted with tropical conditions entertain the painful conviction that one grave fundamental error of policy, if too long accepted, will entirely neutralise every effort made to render agriculture an attractive and profitable industry in the most valuable and vulnerable division of the Commonwealth's great northern province.

It may be premised that the agricultural problem there is of a dual character. On the elevated inland plains, where the climate is comparatively temperate and not unsuited to the European constitution, granting the furnishing of the required facilities in regard to cheap means of transport, artificial water-supply, where required, easy terms for the purchase of land, etc., wheat and other cereals, it is believed, can, in favoured areas, be grown; while mixed farming—dairying being an important feature—might be carried on extensively. The labour question here lies outside the province of Government interference, and, if left alone, will adjust itself to local conditions, as it has done in the prairie region of Western Canada. Railways, roads, irrigation works, these are practically all that the settler in the hinterland of the Northern Territory requires of the Government, combined with a moderate tariff and not immoderate taxation. But besides the inland and, for white, climatically suitable region, there are vast areas of low-lying and extremely rich land extending along the coast and the great navigable rivers for a distance of from 100 to 200 miles, where the climate is both hot and humid, in fact, distinctly tropical. The town of Darwin, with its mean daily maximum shade temperature of 90°, and an annual rainfall of about 60 inches, is fairly typical, in regard to climate, of this division of the Territory. Here Nature has ordained that agriculture can only be prosecuted under special conditions suited to the climate. Subject to those conditions, experience has shown that such vegetable products as rice, sugar, rubber, arrowroot, coffee, cotton, jute, and many others can be grown with the best results. Certain kinds of rice, cotton and

jute grow wild there. Labour, however, has always been regarded as the prime element in the conditions referred to. To grow crops of the kind just specified the labourer must be adapted, not only to his work, but to the prevailing climate. He must, also, be content to toil for the wage determined by general economic conditions.

The Federal Government of Australia has resolved to show the world that tropical commodities can successfully be produced by cultivators bred in temperate countries, and that the expensive white man, judiciously aided by the State, can overcome the cheap coloured man in the struggle for economic supremacy.

F. A. W. GISBORNE.

PROSPEROUS NEW ZEALAND

New Zealand, with its 5.1 per cent., shows the lowest infant mortality rate in the world, London's record being about 11 per cent. In Dunedin, where the Society for the Promotion of the Health of Women and Children started but six years ago, only 3.8 per cent. of babies died in their first year. "The workers of this country are living in a paradise. They may complain about the cost of living, but they all seem to dress well, and to live well. I wish some of those who complain could drop into the slums of the largest cities of England and see what poverty really is," was the verdict of a recent visitor from the Motherland to the Dominion. Among the 210 reduced fare emigrants who sailed by the S.S. *Rangatira* from London, 135 had been nominated by their relatives in the Dominion. In one instance a mother was taking as many as ten children with her to join their father in New Zealand. In many cases the father goes out first, afterwards sending for his wife and children, for whom he is able to arrange reduced rate passages with the immigration authorities in New Zealand.

New Zealand farmers intend lowering the price of bacon in their country by breeding and curing on a more scientific basis. In a dairying district bacon can be produced for at the most 3½d. or 4d. a pound, and fully 25 per cent. of a dairy farmer's income should come from a properly equipped piggery. A suggestion has been put forward in the North Island that the Government should appoint a pig and bacon expert, to go round and deliver lectures to farmers on pigs and their management, give practical yard demonstrations, and generally show how the industry can be rendered more profitable.

THE LIBERAL GOVERNMENT AS TARIFF REFORMERS

By J. CHRISTIAN SIMPSON

THE process of safeguarding is so general that one is not surprised to see it adopted by the party professing to advocate Free Trade or at any rate a policy of Free Imports. In fact I seem to see a vision opening up before me of Free Trade Protectionism. And for the best of all reasons, because Free Traders cannot help themselves or escape from it. This side of the Tariff Reform question has not, in my opinion, received sufficient notice, due perhaps to the fact that Free Traders themselves have shown considerable modesty in not claiming credit for the advances made by them in this direction. It may not, therefore, be altogether out of place to review some of the changes to which I refer.

First let me take the case of patents, originally granted by Queen Elizabeth on the ground that they brought a new industry into the realm and provided employment for Her Majesty's subjects. Of more recent years some 8,000 British patents granting monopolies to foreigners have been issued from the Patent Office, the result being that British Trade declined in many industries. In 1907, the Patent and Designs Act was passed with the object of checking the system practised by many foreign manufacturers of taking out Patents in this country, not with the intention of working them here, but of preventing the competition of British manufacturers in their own or in other markets.

It is now generally recognised that the Patents Act has caused an increase in employment in this country, and this has chiefly resulted from the provision making it compulsory that the chief parts of the patented article must be made here. Moreover, if the foreigner does not work his patent within four years from the date of its grant, it is liable to be forfeited. In reply to a question in the House of Commons at the close of 1909, the President of the Board of Trade made a general statement as to the satisfactory working of the Act, in which he stated that some fifty firms had commenced or were about to begin work

under the Act, the new factories involving an outlay of some £80,000. It was hoped that some 7,000 men would be employed at a weekly wage bill of some £8,000. The chief new industries referred to consisted of metallic filament electric lamps, cinematograph films, aniline dyes, mercerised cotton, gramophones, safety razors, shoe-making machines, phonographs, cash registers, foods, medicines, oxygen and clayglaze. The foreign firms working these were principally German and American. Licenses and royalties permitting British firms to manufacture the patent articles and carry on the patent processes of foreign firms have been granted in a far larger proportion.

It is instructive to note three German opinions of this Act. Professor von Schulz-Gaevernitz said, "We have exploited the English markets under cover of our tariffs and we have threatened some of the most flourishing industries in England by our unfair dumping—goading a Liberal Government into passing what is really a Tariff Reform measure, 'The new Patents Act.'" Again, Dr. Weisergreen wrote, "A moderate tariff would be beneficial to English commerce. This is conclusively proved by the operation of the Patents Act, which did so much damage to the German chemical industry through fostering the same trade in England." Thirdly, Herr Herman von Rath expressed his opinion that "If the British Patents Act compelled German manufacturers to establish branch factories in England, to a still greater extent would they be under protection, and the advantage that would follow for the British workman is evident." But these opinions merely confirm that of Mr. Churchill, who admitted at Dundee in 1908 that Free Trade cannot reduce unemployment, and that of Mr. Tennant, who confessed in the House of Commons in 1911 that Free Trade cannot raise wages for fear of increased foreign competition.

In 1906 and 1911 the Merchant Shipping Acts were passed to protect British shipping, and foreign ships are now compelled to use our load line in British waters and otherwise to conform to British ship regulations when in British ports. In addition certificates are now only granted to pilots in British waters who are British subjects. In 1907 foreign watch cases were for the first time made subject to the same regulation as British cases, under the Assay of Imported Watch Cases Act, an excellent protective measure in this particular business.

The Finance Act, 1908, provided for the removal of restrictions in connection with the tobacco-growing industry in Ireland, and in 1909, £6,000 was granted to assist experiments. Still later, a sum of £35,000 has been sanctioned, to be spread over ten years. In December, 1912, it was stated in Parliament that the British Tobacco Growers Society had been formed under the

auspices of the Development Commissioners, and £7,500 set aside to assist this society. Even the creation of Development Commissioners is a blow at the Free Trade principle that an individual trade must not be fostered by the State. Again, in connection with the tobacco trade, the present Government imposed an additional duty of 1s. per lb. on imported cigars. Doubtless theoretically this was done solely for revenue purposes, but in practice its protective effect is undoubted. Thus a well-known London firm promptly noted in their cigar list that "the additional duty on imported cigars enables the British manufacturer to offer high-class cigars at a comparatively low price." Likewise the effect of the advantage of one halfpenny per pound in favour of "unstripped" tobacco is to cause it to be imported in greatly increased quantities, the imports having risen from over 55 million lbs. in 1910 to over 76 million lbs. in 1912. It is thus that the British manufacturer can be encouraged, extra work secured for the British workman, and the price kept "comparatively low."

An Act was passed in 1909 for the purpose of preventing the sale and landing in the British Isles of fish trawled in close areas round Scotland; subsequently similar Irish areas have been added. This protective measure owes its origin to the Radical Free Trader, Mr. Ure, now Lord Strathclyde, who was publicly thanked by the Scottish Radical Whip. It is difficult to see why "food of the people" caught by Norwegians in protected waters is excluded for the benefit of the fishing industry, when granite brought from a protected country and worked by Norwegians is admitted free, to the detriment of the granite quarry industry at home.

A sum of £40,000 was voted in 1911 as a subsidy to the Royal Mail Steam Packet to carry mails from the United Kingdom to the West Indies, and foreign firms now obtain no contracts for the carriage of His Majesty's mails. A Government subsidy of £150,000 is given to secure the services of the *Lusitania* and *Mauretania* in the event of national emergency. What difference is there between these subsidies or bounties by a Free Trade Government in the cases cited, and a subsidy or bounty by a Protectionist Government to the sugar, or iron, or steel industry?

The Home Rule Bill as it stands gives the Irish Parliament power to increase all customs duties imposed by the Imperial Parliament, except those on beer and spirits, and power to grant bounties on the production of goods. Thus a Free Trade Government is committed (i) to a policy of destroying Free Trade within the United Kingdom at the bidding of Protectionist Irish Nationalists; (ii) to a policy of granting bounties, a crude

and unsatisfactory form of protection. Ireland is to be allowed to establish her own Custom Houses, though worked at the expense of the British taxpayer, while the Radical Government or its Press never cease advocating a policy of unity of Customs in the various Balkan States as the one great step forward in the direction of political unity and peace. A unification of Customs in the German empire and in the South African Union necessarily preceded the political union. In Ireland, however, the exact opposite policy is threatened.

It is satisfactory to know that Mr. Harcourt now only accepts tenders for china and earthenware for Government purposes from British manufacturers; no foreign firms or middlemen need apply. It is also good to know that the Admiralty has issued a decree that all British warships must be constructed of British materials, and that these must be purchased from firms paying Trade Union rate of wages. In 1910 Mr. Churchill saw his way to give preference to a British maker for 1,000,000 yards of canvas, though actually more in price than from a foreign source. All these are hopeful signs of a more sane business capacity in certain of our responsible Ministers. But in contradistinction to the Admiralty, the War Office recently purchased 70,000 quarters of German oats for the horses of the troops stationed at Tidworth, Salisbury Plain, and the contract for the last six months has been mainly supplied from the same source. And this by a Government always canting about finding employment and higher wages for the English agricultural labourer!

It is to be hoped that all councils, municipal or otherwise, who have actually adopted the Fair Wages Clause, will consider seriously the question of limiting tenders to materials of British manufacture wherever possible. For how can the British workman expect higher wages unless the products of his own or fellow-workmen's labour have a secure and increasing home market?

An International Convention for the protection of industrial property was signed by our Ambassador at Washington along with six foreign representatives. "Industrial Property" is intended to include among other things all productions of the agricultural industries and of the Mining Industries, in fact anything from textiles to corn and soda water. It is interesting to note that by Article 10 *bis* "All the contracting countries undertake to assure to those who enjoy the benefits of the union, effective protection against inferior trade competition." Such is the Convention that our Free Trade Government through His Majesty's Ambassador, has signed, and so pledged itself to a policy of protection for Industrial Property.

A few days after this International Convention was signed, the

British Postmaster-General made an important announcement. He decided to treat newspapers published in the whole of the Dominions and Colonies, including India, as if they were printed in the United Kingdom so far as the postal rates were concerned. This is a welcome beginning to a more complete policy of Imperial Preference, notwithstanding the declaration of the Prime Minister that it is impossible for us to grant preference without giving the go-by to the very first principles on which our fiscal system has been established.

More recently still, this Free Trade Government has ratified the Canada-West Indies agreement for reciprocal preferential trading, thereby becoming a consenting party to a fiscal policy which permits Crown Colonies to raise duties against foreign countries so that a tariff preference can be given within the Empire. The tariff include (a) Duties imposed for revenue; (b) Duties on competitive products; (c) Preference secured by (1) a free list for goods produced within the Empire while duties are retained on similar goods from foreign countries; (2) remission of duty in groups (a) and (b). The comment of the *Manchester Guardian** was that "the agreement is protectionist in intention and effect . . . we dislike and distrust the whole policy of this Reciprocity scheme extremely. We should blush to think that any Liberal Secretary of State in England . . . would give his sanction to so iniquitous and mischievous an arrangement." Curiously enough the *Free Trader*† sees nothing to blush or be uneasy about, and in any case the agreement has been signed and consented to, and the United Kingdom now obtains a preference on goods exported to the West Indies just as Canada does, whether Free Traders blush or not.

Cotton-growing in Egypt is to be stimulated and encouraged by the generous guarantee by this Radical Government of the interest at 3½ per cent. on a sum of £3,000,000 which the Sudan Government require for this purpose. It is needless to point out how important it is to Lancashire cotton industries to have fresh areas opened up within the Empire, wherefrom their raw material can be drawn in increasing quantities and so brought into successful competition with cotton grown in foreign countries. In connection with this, one of the Irish supporters of the Government said in the House of Commons that the pretence of Free Trade in that House was the merest sham. He did not believe that there was a single Free Trader in the Government or House of Commons, and he was glad to think so. This loan to the Sudan was merely a bounty to Lancashire, and to get Lancashire votes. He was not at all against it; but why keep up this pretence of Free Trade?

* July 4, 1912.

† July 18, 1912.

One of the most interesting developments is that of the Home Beet Sugar Industry, There is a beet sugar factory in Norfolk. Beets are grown in the neighbourhood, much labour is employed all the year round, even Dutch specialists are imported, and the deep working of the soil benefits it for other subsequent crops. The Chancellor of the Exchequer has withstood the pressure from the Cobden Club, and broken the Free Trade principle by exempting this home-manufactured sugar from the Excise Duty of 1s. 10d. per cwt. imposed on imported sugar. One can only hope that such a necessarily small beginning will lead to the inevitable differentiation as regards duty on Empire-grown whether cane or beet as compared with foreign-grown sugar, and show the possibility of granting an Imperial Preference on existing duties, as requested by the Colonies at the Conference in 1907.

The Trades Board Act, though mainly the actual work of Lord Milner, was passed by the Radicals and has been most useful in safeguarding the sad case of the sweated labourer who is unorganised and largely female. In the case of chainmaking, wages have been almost doubled. The difficult thing to understand is, why a Free Trade Government, while passing this protective process against sweating in British industries, takes no further steps to prevent the free admission of sweated labour goods from foreign countries. The member for Dudley stated in the House of Commons that Belgian chainmakers advertise that they are delivering their goods at the foot of the English workers at such quotations and quality though machine-made, as to defy any competition. It has lately been denied that any such Belgian chains are dumped at Cradley Heath, but the Government reply at the time was that this could be met by prescribing humane conditions and by protecting the health, life, and limb of the workers. What is urgently required, however, is not cant and hypocrisy like this, but a frank recognition that the Trades Board Act is a great departure from their old principles, that its protective operation is capable of considerable extension, and its utility enormously improved by the passing of such a Unionist Bill as the Sweated Manufactured Goods (Importation Prevention) Bill, which unfortunately the Government rejected.

Even the *Daily Herald** admitted that "we agree with protection against goods made abroad under blackleg conditions worse than would be allowed in this country." The *Daily Herald* is getting on, for about a year ago † its readers were told that "The *Daily News* story about prosperity is given with a political motive of persuading people that a Liberal Free Trade

* July 12, 1913.

† December 5, 1912.

Government is a godsend to the country. The workers and the unemployed know better than anyone else what are the real facts."

By the irony of fate it fell to this Government to send one delegate to the First International Conference for the Protection of Nature held at Berne last month. Among the subjects discussed were the protection of animals, both terrestrial and marine, birds and flowers, which are becoming scarce or disappearing. This delegate had his attention directed to the safeguarding of natural sites, rivers, streams, lakes, waterfalls, mountain scenery, and even trees of great antiquity! It really seems inevitable that in time the British workmen will receive some attention after various objects inanimate and animate have been considered!

We are thus face to face with a welcome variety of more or less valuable safeguarding measures, relating mostly to our Home Trade, that this Free Trade Radical Government has felt constrained to pass and put into operation. But as examples of how not to do it, reference must be made to three Acts they have passed. The first is the Eight Hours Act, which has not proved the success it was expected to create either in the pit or miner's home, for in some homes ten separate meals have to be provided each day.

The second is that wrecker of Free Trade principles commonly called the Minimum Wage Act, which Mr. Asquith first denounced and then rushed through Parliament. This Wage Act set aside a solemn contract which had two or three years to run, and thus a Radical Government forestalled Jim Larkin with his motto, "To hell with contracts!" The third Act is the National Insurance Act or Poll Tax, which Mr. George now admits would have been thrown out by the people if they had been consulted. It may be granted that each of these Acts was passed with the object of safeguarding somebody, but the misfortune is that they all affect a home industry relating to a raw material, vital to all our other industries, and non-competitive so far as imports of foreign coal is concerned.

Such abnormal restrictions and taxations affecting the production of raw material, which is contrary to any Fiscal Reform Policy, has added very heavily to the cost of production of everything made in this country, and cannot fail in certain cases to lead to reduction in the number of insured persons employed.

What of the "further" safeguarding policy advocated by the Unionist Party? It is acknowledged that additional revenue will have to be raised, and as Mr. Bonar Law said, "what form of taxation would be fairer, or more certain that the burden would fall on those best able to bear it, than the taxation of luxuries

imported from abroad, the annual value of which is estimated at £30,000,000. We do not propose a system which will give a monopoly or even any protection, in the sense in which the word is used. All we propose is that a preference shall be given to our own workmen for their own work in their own home markets."

This can be done by imposing a moderate tariff on foreign manufactured goods, a tariff not exceeding an average of 10 per cent. The exact size of the tariff will depend on the amount of labour expended on the articles before they are imported, and would be carried out in accordance with the four principles laid down by Mr. Balfour—that the duties be widespread, small, not on raw material, and not to alter the proportion of taxes paid by the working classes. If it be argued that it is impossible to arrive at any fair division between raw materials and manufactured articles of one degree or another, the reply is that no such difficulty has apparently presented itself to the Port of London Authority, or indeed any of the large dock industries throughout the Kingdom.

The Port of London Authority is a creation of the present Government and took over various London Docks, the estimated annual income of which was over £800,000. There is a list of some 2,400 items rated under Schedule I. For example, over 120 iron and steel items are placed in seven classes, each with its own special rate. Raw materials and food stuffs are also rated and taxed on importation. In Schedule II. one finds that a preferential tariff is in force, for coastwise imports and exports are charged only half the rates of Schedule I. As a whole it is one of the most complicated and Tariff schemes in the whole commercial world, and proves without a shadow of doubt that the Radical cries of "Free Imports," a "Free breakfast table," and "Hands off the people's food," like their "Free Trade," are frauds, and that if it be possible to establish preferential rates or duties on coastwise goods, it surely can and should be possible to bring into force Preferential Tariffs in favour of imports from the Empire as distinguished from foreign countries.

As regards our export trade, reference to it may be made in the briefest manner by noting three points. (1) Mr. Asquith and Mr. Lloyd George have acknowledged that hostile tariffs are directed against us, and undoubtedly manage to exclude a great deal of our products from their markets. (2) Mr. Asquith has acknowledged the undoubted beneficial action of the colonial preferences which we receive, but which he refuses to reciprocate, because that would mean treating our colonial kinsmen better than foreigners. (3) The position we hold at the present moment in the trade of the world is solely due to the large and increasing trade, comparative as well as absolute, that we do with our

colonies, whose preference we take; but as regards the principal markets of the world, our relative position shows signs of declining during the past seven years, whatever the absolute growth of the trade of the United Kingdom may be. It was acknowledged by Mr. Robertson in the House of Commons, that the exports of domestic produce from the United Kingdom in 1912 exceeded those of the United States, only if the dollar were taken at 4s. 1½d. instead of the usual equivalent of 4s. 2d.!

The safeguarding of our great productive industries from unfair competition, further than has already been done by the Radical Free Trade Government, is an urgent national question if we are to secure a more stable, more profitable, and ever-increasing home market, and no one will deny that it is our first duty to keep a firm hold on our home trade, which is five times, at least, as large as our export trade, and employs from four-fifths to five-sixths of the total labour in the country.

J. CHRISTIAN SIMPSON.

OUR ARMY HORSE SUPPLY

By CHARLES STUART-LINTON

It is unnecessary to be a pessimist to realise that this country, to say the least, is not in a position of impregnable security. Europe is more than ever an armed camp. At home we have Lord Roberts urging our military unpreparedness upon deaf ears, and a section of the Cabinet trying to weaken the Navy. Even the limited and inadequate military force we possess is further depressed by the rapidly decreasing supply of horses. Lord Esher has done his best to call the attention of the authorities to the serious position of our army horse supply with, however, but scant success. Colonel Seely, a confirmed optimist, seems still unconvinced; while the average man is indifferent to the dangers consequent upon such neglect. The position is indeed serious, and in the event of war would be still more so. Each year horses are becoming more difficult to hire; and many of those hired are far from efficient, for the breeding industry is steadily shrinking. As a result the Regular Army, more particularly the Artillery, has no reserve to replace wastage in a campaign; and the Territorial Army is greatly under-horsed.

Before the introduction of motoring the breeding industry was in a healthy condition, but with the displacement of the horse for the motor, the evil began. In the South African War the London omnibus horse lived longer and worked harder than any other horse. The type was excellent and the previous training splendid. The omnibus horse had been worked hard but consistently. Good feeding and a two days' holiday between each fortnight of work enabled it to keep fit. Even after seven years of labour horses of this class become useful animals on a farm.

Ten or twelve years ago the London Horse Army numbered approximately 73,000. In 1909 it had dropped to some 17,000; while at the beginning of 1913 the number barely reached 7,000. Worse followed later. One firm of omnibus proprietors held on to the horse longer than any other firm, but at last were forced to replace the horse by the motor. The firm in question were aided

in their stand by the War Office, who paid a registration fee of £4 per horse, as against a fee of 10s. considered adequate a few years before. In spite of this the horse had to go, and the company in question now finds it difficult to keep up the contract to supply transport horses for Aldershot; quite recently a batch of 500 horses useful for military purposes were sold out of their last reserve. Not long since the job masters were asked for 600 horses and could only supply one-third of the required amount. This is all the more serious as Colonel Seely relies to a great extent upon this source for the Army

The large sales of omnibus horses, held within the last few years, have had a most detrimental, not to say crushing, effect upon the breeding industry. Indeed, so much so that many breeders have given up an occupation which had steadily been giving them smaller and smaller returns. How much worse will things become when the former omnibus horses, now scattered all over the country, to the number of over 30,000, have died off or become inefficient through age?

Although horse-breeding as an industry is not what it used to be, it is still greatly helped by the buyers of horses for foreign Governments. It is common knowledge that at all our horse shows and fairs foreign officers are there in force and buy up all the best. The worst are left on the breeders' hands and are bought for the British Army by the War Office, who, by paying an inferior price, obtain an inferior animal. Unfortunately we cannot compete with these foreign officers at our horse shows; for while representatives of the War Office only bid up to what, in the opinion of the War Office, a horse ought to be worth, the representatives of foreign armies are willing to pay the actual value of the animal. As a result of our army buyers doing business on the basis of what might have been deemed adequate twenty years ago, the pick of our mares find their way to the Government stud farms on the Continent. Greatly owing to these stud farms foreign officers can obtain our best animals. They can well afford to purchase a promising two-year-old, realising that it can grow at the farm; at four or five years its cost will have been much less than would necessarily have been paid to a private breeder for an animal of the same age. Furthermore nations having breeding establishments have an advantage over us in that these stud farms can be used to store reserves. They can, therefore, in the event of war more easily maintain the necessary margin to replace wastage.

Lord Haldane said in 1911, that on the mobilisation of the Regular Army we should require 3,154 riding, draught, and pack-horses, excluding transports, and that for this purpose, we had only 2,617 horses registered, or 537 short. I wonder what the

shortage would be to-day? The soil and climate of England and Ireland are well suited for breeding horses of the hunter class, animals having both dash and endurance, but for the reason given the hunter is steadily diminishing. And the inevitable result of this must be that, as happened in the Boer War, horses would have to be obtained from Hungary, the United States and Canada at inflated prices.

By way of rebuttal the authorities will probably point to the law for the impressment of horses for the Territorial Army on the outbreak of hostilities. But for obvious reasons the Government would hesitate a long time before putting into force Section 115 of the Army Act. The impressment of horses is a great hardship and is only likely to be used as a last resort. All the same the powers in this respect are unlimited. All horses would be liable to be commandeered, and all owners would be liable to have the whole of their stock taken. The prices paid by the War Office would be arbitrary, and in most cases would mean inadequate compensation.

On the outbreak of war the Territorial Army is to be called out and go into training in order to become, in six months, an efficient force to resist any attempted invasion. But without the law of impressment being applied, the greater part of its cavalry, artillery, and transport would be horseless. Even assuming that impressment of horses did immediately take place, that would not solve the problem. Let me quote Lord Esher :—

Suppose that we possess 440,000 excellent horses, all in fine condition, perfectly sound, fit for cavalry and draught purposes, and so intelligent as to be able to dispense with training for the field, it is, nevertheless, beyond all question that the horse is a rapidly disappearing animal. I will admit that if the whole army, regular and territorial, were to be mobilised to-morrow, it might be possible to put the mounted forces into the field and to keep them there for an exceedingly short period. My original contention was, and is, that this will not be possible the day after to-morrow.

So if the law of impressment were enforced our reserve to replace wastage would soon disappear. It is also possible that we should in war, for a while at least, be cut off entirely from extraneous supplies. In that case our supply would only about be sufficient to meet the needs of the Regular Army and its expeditionary force. The Territorial Army would be all but horseless. Surely such a state of affairs is far from satisfactory. The problem should be grappled with sternly?

What is wanted is to give an impetus to the breeding industry. So far the Government has hardly done anything. On the Continent, in France and Germany, it is different; there the War Department and the Board of Agriculture supervise the work. Government breeding establishments are in being and are run

on scientific lines. In particular, the German establishments have had great success in breeding a splendid type of charger and a horse suitable for the artillery. In this country we have a body of gentlemen willing to help the War Office in this respect, men who know everything about horses. I refer to the Masters of Hounds. Indeed, some ninety Masters have already formulated a plan to encourage the home breeding industry. All they ask is that the Government should do two things—set forth a detailed account of the type it wants and grant small annual premiums on account of the horses registered.

The cost would be trifling, for the Masters agree to do the registering. The premiums would entail the horses being kept in this country, and taken as part payment of the price of the horse when the War Office purchased. Not long ago an ex-M.F.H. in Surrey, with a patriotism rare in these days, handed over, as a gift, to the War Office his old stables, together with 200 acres of land, his idea being that his gift should become the first State breeding establishment. His hopes, however, have been disappointed, for with the exception of keeping certain horses there, not immediately required, nothing has been done by the War Office towards attempting to augment the national horse supply.

What France and Germany have done in this direction surely can be done by us. Conditions are bad enough to-day, but what about to-morrow? How much longer will this country allow His Majesty's Ministers to gamble with the fate of the nation and the Empire?

CHARLES STUART-LINTON.

PROBLEM OF THE SUPERFLUOUS WOMAN***WHAT TO DO WITH OUR DAUGHTERS***

BY G. E. MAPPIN

IN the United Kingdom there are many more women than men, whilst the converse is the case in our oversea Dominions. Women cannot shift for themselves like men, neither will parents allow their daughters to leave these shores unless they are certain as to their protection and means of livelihood in the new country. Besides, many women, owing to the circumstances of their bringing up, are unsuitable for the strenuous life that awaits them in the Colonies.

To fit these women for colonial life, I suggest they should undergo a course of training in the Homeland, and in order to place the scheme on a sound footing the various Governments of the Empire should co-operate. I should like to see a truly Imperial scheme started, embracing preparatory training, supervised migration, care of the women in their new life and the disposal of the fruits of their industry. The differences due to class distinction must not be overlooked.

Institutions founded and maintained by the State and training farms founded by private enterprise and subsidised and supervised by the State should be started in the United Kingdom. In the institutions the women would be trained for domestic service at Government expense. At the farms the women would learn fruit, dairy, and chicken farming, and housewifery. For this instruction as well as for board and lodging a scale of fees would be arranged.

They would live under matrons drawn from their own class, and go through a course for, say, six months, at the end of which period all who would probably prove unsuitable for the new life should be weeded out. Girls would find their surroundings congenial, as in many cases they would be able to live near their friends. The institutions would be situated in the country, which would greatly benefit the health of the young women hailing from the congested districts of our large towns.

The daughters of many gentlefolk in small and reduced circumstances, to whom only the dull career of a governess is at

present open, would willingly spend a small portion of their capital, if they felt that by so doing it would open the door to a promising money-making career. The heavy work on the farms would, of course, be undertaken by men, both at home and in the Dominions.

At the end of the preparatory course, those of the servant class who were considered suitable, and those studying at the farms, who were considered suitable, would migrate to such of the Dominions as were co-operating with the Home Government, accompanied by matrons suited to each class. Their passages would be at exceptionally low rates as arranged with the oversea Governments. On arrival in the new land, the servants would go to hostels in the towns, where they would be maintained at Government expense and remain until provided with situations. If out of a situation at any time they should be allowed to return to the hostel, and on payment of a small sum per week to stay there not longer than one month.

With regard to the daughters of gentleness. They would proceed, according to choice, to small Government farms situated at no great distance from towns. There they would take up fruit, dairy or chicken farming, or gardening, according to aptitude. Matrons of their own class would live with them. Farm produce would be sold wholesale, at the same price as that of the private trader; it might also be exported to the mother-country. The profits would be divided in proportion, part going to the Government, and part to the women working on the farms. At the end of two or three years the women would have acquired the necessary experience and might be expected to have qualified for a life of their own seeking.

If this scheme were carried out, one would hear less of Englishmen settled in the Dominions regretting the lack of marriageable members of the other sex in the localities in which they reside. There would be fewer complaints from dwellers in crowded English towns of the small scope for their girls; and those daughters of gentleness, compelled to earn their living, would find a new aim in life.

To materialise the proposal will necessitate much propaganda. Would not the suffragette leaders and other ladies consider the advisability of founding a league for the furtherance of the idea? They would thus give an Imperial hall-mark to their endeavours, and exercise for the good of the Empire the undoubted powers of organisation and persuasion of which they have given ample proof.

This scheme, put into practical operation, would brighten the lives of thousands of slum-bred girls, working at present in poorly paid or sweated industries. Many of these girls have no

possibility at present of ameliorating their lot, and shrink with the timidity of the downtrodden from the bold step of leaving hearth and home and of seeking, unaided and friendless, brighter prospects in a new land. It would open vistas of a useful career to many gently-nurtured yet capable girls living dull secluded lives in peaceful English country homes. It would bring a gleam of hope to many a University girl at present eating her heart out in a monotonous and dreary existence, waiting for the active life that never comes.

It should be a public duty to provide employment for our superfluous female population, gentle and simple, no less than for our necessitous workmen. The latter can air their grievances through Trade Unions, the former, scattered, retiring, and helpless can do nothing.

I venture to think if this scheme were carried out, and carried out on a scale worthy of our race, it would do more to consolidate the Empire than perhaps any other measure.

G. E. MAPPIN.

BAHAMAS TURTLE FISHERY

The turtle fishery in the Bahamas has long been an object of concern. Year by year the catch is diminishing, and unless some remedy is found turtle shell may soon cease to be classed among the exports of this colony. The Marine Products Board has raised the limit of sizes to be captured from 15 to 17 inches in Hawk's Bill Turtle and from 13 to 15 in green turtle, but this rule cannot have the effect of increasing the quantity of turtle, though it may allow the smaller turtle to grow to more marketable sizes. The remedy is a complete closure of the fishery, but with no means of protecting the fishery the Board hesitates to recommend so sweeping a measure, seeing that, in present conditions, it will have the effect of destroying the trade without benefiting the colony.

IMPERIAL LITERATURE

*THE MAKING OF THE AUSTRALIAN COMMONWEALTH**

FEW men were better qualified than Mr. B. R. Wise to undertake the task of recording the aims and aspirations of the oversea statesmen responsible for bringing into being the Federal Parliament of Australia. That he has accomplished the task in a manner which awakens interest and carries conviction will surprise no one acquainted with the thoroughness of his work and the versatility of his pen. The book, which bristles with quotations from speeches carefully selected and original comments founded on a knowledge few writers possess of a subject but little understood in the old country, must not be regarded as a history of the Federal movement, nor a study of the Constitution. It is what the author professes for it, the story, and a very fair-minded story, by an eye-witness of the making of the Australian Commonwealth during the critical period from 1887 to 1900.

Opening with Sir Henry Parkes' famous Tenterfield speech, which set the federal ball rolling with an energy that inspired respect and lent force to the campaign, Mr. Wise does well to publish the correspondence that passed between the premiers of New South Wales and Victoria. These letters emphasise the feeling of antagonism that had so long existed between the sister colonies, and show the dividing line between the Federal Council policy of Mr. Duncan Gillies and the wider federation policy of Sir Henry Parkes. That some time should elapse before the scales fell from the eyes of the Victorian leader may easily be imagined, and it is doubtful, but for the driving power of Mr. Deakin, whether the change would have come as soon as it did. But, be this as it may, the attraction of provincial authority eventually gave way to the desire for a reform which common sense and collective sentiment pointed out as essential to the welfare and advancement of Australia as a whole.

The report drawn up by Major-General now Sir James Bevan

* 'The Making of the Australian Commonwealth, 1889-1900,' by Bernhard Ringrose Wise. Longmans Green & Co., London, New York, Bombay and Calcutta, 1914. Price 7s. 6d. net.

Edwards on the defences of Australia, and the urgency of securing a uniform railway gauge for the quicker movement of the local forces, were primary incidents in the new movement. And if to these matters be added the growing desire to see established a single tariff and the persistency of Sir Henry Parkes, who certainly made federation his life's work, we have a fairly complete history of the initial stages that led to the drafting of a constitution which has done so much to strengthen and consolidate that part of the British Empire which lies beneath the Southern Cross. Prominent among the early federal leaders, in addition to Sir Henry Parkes, were his lieutenant and ultimate successor to the leadership of the movement, Mr. now Sir Edmund Barton, Mr. Deakin, to whom reference has already been made, Mr. James Service and Sir Samuel Way. All four lent yeoman service to the cause.

Certain elements of local discord also assisted the reformers; for instance, there was the battle of the tariffs, which had always been a foremost plank on party platforms, and which in the present case generated into a fight between Free Trade and Protection. Then there was the growing feud between the Independents and the Imperialists, whose opposing views received powder and shot from home politicians. True, as Mr. Wise reminds us, the Manchester School of thought had never been accepted by Australia, but the doctrine of indifference to imperial interests which dominated English politics in the middle of the nineteenth century was not without its influence on party policy in the Australian colonies. How could it be otherwise when one recalls the unpatriotic sentiment openly expressed by Mr. Cobden himself. Here is an example :

It is customary to hear an army and navy defended as necessary for the protection of our colonies, as though some other nation would seize them. Gentlemen, where is the enemy that would be so good as to steal such property? We should consider it quite as wrong to arm in defence of the National Debt!

Is it to be wondered at that Tariff Reformers to-day seek to impress on their audiences the teaching of the Little Englanders in times gone by and refuse to forget the evil effects that teaching had on the oversea dominions. Nor was the policy of the Imperial Federation League always calculated to pour oil on the troubled waters. Some of these enthusiasts appeared to think that vague language modelled, at least so the Australian thought, on a desire to limit the powers of self-government must lead to closer union between the Mother Country and the Colonies, whereas it only added force to the theory put forward in some quarters that all Australia had to look forward to was Independence or Absorption. But for Beaconsfield, Froude, and

Seeley, things might not have come out as they have done. But that is another story.

From principles and beginnings we are taken by Mr. Wise to the Melbourne Conference of 1890, and here we learn of the memorable services rendered to the cause of Australian Union by that veteran fighter, the late Mr. James Service, and the sound arguments of Sir Samuel Griffith of Queensland and Mr. Clark of Tasmania. On the other hand Mr. Playford of South Australia failed to see his way to assist the movement, and Dr. now Sir John Cockburn expressed a desire to postpone action. Captain Russell, on behalf of New Zealand, held out little hope that his colony would join in a federation with Australia, although his colleague, Sir John Hall, was more sanguine in his views. The speeches of the various delegates are ably summarised by the author, who follows his observations on the discussion with a chapter setting out public opinion on the Conference, and its final recommendation to hold a National Convention. In due course this Convention was held in New South Wales, with Sir Henry Parkes as president. Its sittings lasted six weeks, and at the close it was unanimously recommended "that provision be made by the parliaments of the several colonies for submitting for the approval of the people of the Colonies respectively the constitution of the Commonwealth of Australia as framed by this Convention."

Thus was Federalism in Australia changed from a dream into a tangible reality, and the idea, as Dr. Garran put it, "crystalised into a practical scheme complete in all its details." The next step was parliament, and here we are introduced to the part taken in the movement by Mr. now Sir George Reid, a part which grew in importance as time went on, and ultimately ended in the present High Commissioner being converted from a rather lukewarm supporter to the warmest of enthusiasts. Summing up Sir George Reid's attitude, Mr. Wise tells us he had played in turn the part of open enemy, candid friend and enthusiastic supporter.

The General Election in New South Wales, from which so much was expected, failed of its purpose, and the Convention Bill for a time was relegated to matters of secondary importance. Then came the resignation of Sir Henry Parkes and the accession of Mr. Barton to the leadership of the Federal party. The formation of the Federal League again stimulated public interest in the movement and the ability shown by Mr. Barton did the rest. In October 1895 the Australasian Federal Enabling Act, agreed to by the Premiers the year before, was introduced into the New South Wales parliament, and before the year was out it had become law. Then followed the controversies between Mr. Barton and

Mr. Reid, fairly and fully criticised by Mr. Wise, and ultimately the Convention was summoned to meet for its first session at Adelaide on March 22, 1897.

The next step was the consideration of the Bill as drafted at Adelaide by the several parliaments, and the later chapters of the book are devoted to giving an explanation of the points most in dispute during the contest which "raged for the next year and a half between the supporters and the opponents of the draft Constitution." A referendum in 1898 showed a large majority in favour of Federation, but the statutory minimum of 80,000 affirmative votes not being obtained in New South Wales the movement came to a full stop." The adhesion of Mr. Reid ensured the carrying of the Bill at the second Referendum, the voting in New South Wales being 107,420 for and 82,741 against. In other colonies the majorities were larger than before. Queensland came in on September 2 and Western Australia on July 31, 1900. Here the story ends, but the author adds two appendices in which he describes the struggle in Victoria and Tasmania more in detail.

Many of the names among the Australian statesmen who lent a hand in the construction of the Commonwealth are household words in this country; some, however, are new to us. We are proud of them and their work. Mr. Wise has laid us under a deep obligation, but of himself he has been too modest. For his part was by no means a sinecure in the upbuilding of the Australian Commonwealth. No student of Imperial history can afford to be without the book, which is invaluable as a book of fact and a book of reference. To the politician it is a gold mine, whether his activities lie at Westminster or in one of the parliaments in the King's Dominions overseas. A meritorious addition to the library of imperial literature.

INDIAN HISTORICAL STUDIES *

ALL who have had the good fortune to read Mr. Rawlinson's 'Bactria' know that he possesses the true instinct and spirit of the historian. We bid a hearty welcome to his latest publication, and if it errs on the side of brevity we remember the best goods are often those packed in the smallest parcels. In part the book is a collection of contributions that have already appeared elsewhere and in part a series of new studies. Each has its special interest, and collectively the stories tell their own tale, although they do not pretend to a continuous history.

We have here a glimpse of India in nearly every epoch of that

* 'Indian Historical Studies,' by H. G. Rawlinson, M.A. With seven illustrations and map. Longmans Green & Co., New York, Bombay and Calcutta, 1913. Price 4s. 6d. net.

country's history, and much old-world reading will be found within the pages of this small volume. The studies of Gautama Buddha, Asoka, Ibn Batuta and Akbar, just to mention four of the ten essays which go to make up the text, are studies that cannot fail to delight the student and please the more general reader. From beginning to end the letterpress shows careful research and sound knowledge, and as a contribution to that vast but little understood history of the oldest appanage of the Crown the book is both valuable and instructive. Written in a pleasing style, it has the combined advantage of literary merit and historic value.

EMPIRE GOVERNANCE *

In a useful little book, under the title of 'The Problem of Empire Governance,' Mr. Stuart-Linton has collected together the articles contributed by him from time to time to this *Review*, adding occasional papers from his pen that have appeared in other periodicals. The whole makes an interesting and timely little volume, which many of our readers may like to possess. The chapters vary in length, but are never too long, and the matter always shows care and thought. As is usual in books of this kind the author relies much on quotations in proof of his argument, but we are spared the masses of figures and tables, so frequently considered necessary to prove the case for closer union.

So familiar are readers of this *Review* with Mr. Stuart-Linton's writings that it would be but vain repetition to discuss the different topics that go to make up the book. It will be sufficient to say that nearly every subject connected with Imperial affairs secures a place in its pages, and the student will find much on which to build and construct. If the ideas expressed are not altogether novel, an earnest endeavour is made to unravel problems that for years have attracted attention, but failed to find solution.

BOOKS OF REFERENCE FOR 1914

Commonwealth of Australia Year Book (official).—This book carries us up to the end of 1912, and corrected statistics are given for the period 1788 to 1900. It is the sixth issue of the series and published under the authority of the Minister for Home Affairs. The Commonwealth statistician, Mr. Knibbs, is responsible for the text, a fact in itself sufficient to guarantee the accuracy and reliability of the information given. The general arrangement of the contents is the same as in previous issues,

* 'The Problem of Empire Governance,' by C. Stuart-Linton. Messrs. Longmans Green & Co., London. Price 3s. 6d. net.

and some of the special articles that have appeared in other volumes are reproduced in a condensed form.

New features of interest have found a place. Among these may be mentioned the sections dealing with the Mineral Springs, Labour and Industrial statistics, the Census of 1911, pastoral production, the development of the Local Work Market and the destruction of the clips. A description of Native Australian Fodder plants has been added, and in another section will be found the text of the Constitution Act and its Amendments together with an account of the operations of the Maternity Allowance Act. The book is a gold-mine of knowledge, and shows the growth of Australia from the earliest to the present time. The articles are crisp and to the point. There is no overlapping, and the get-up of the volume is excellent in every way.

To the student of imperial history the Commonwealth Year Book supplies a daily want; no politician or social reformer can afford to miss perusing its pages, which teem with interesting matter and valuable statistics. Both Australia and the Motherland have reason to be grateful to Mr. Knibbs for this addition to our imperial library, which is published by the Commonwealth Bureau of Census and Statistics.

Who's Who.—Although we have never quite appreciated the title of this most excellent of reference books, we confess it is very representative of the contents, which as usual leave nothing to be desired. So necessary is accuracy to a publication of this kind that occurrences later than August in the preceding year are not recorded; all the same the book is well up-to-date and full of information. Alike to Englishmen and the foreigner, *Who's Who* is invaluable, and no home is completely furnished without a copy. Sometimes it is said too many names are introduced, but year by year the world of activities is growing, and with that growth the number of personalities necessarily increases. Full of live matter from beginning to end this collection of biographies is at once interesting and attractive, and when it is said that the 1914 edition is if anything more complete than its predecessors there remains little more to add, except to observe that its price (bound in red cloth) is 15s. net, and its possession essential to a full knowledge of men and women of the day.

Whitaker's Almanack is a household commodity that needs no pushing; it is alike the most useful and the most indispensable of reference books. In the edition for 1914 some interesting additions will be found, including short articles on many social and economic subjects. The Hall Mark page on plate has been restored. The extra thirty-two pages do not, however, make any perceptible change in the size of the volume, and the neat binding adds to its attraction as a book, which can be obtained from

any bookseller or newsagent for half a crown, or in a paper cover for the nominal sum of one shilling net.

Englishwoman's Year Book. One has only to look at the list of experts who have contributed articles to this directory of women's activities to judge of its value. The text is divided into two parts. In the first, education, professions and social life, find prominence. In the second, philanthropic and social work are extensively explored. To enumerate the subjects treated under these headings would be a task beyond the reviewer; it is sufficient to say that everything connected with the daily life of womankind is dealt with in the volume, which each year becomes more useful and more interesting. Price 2s. 6d. net.

Other reference books of lesser importance that have reached us are the *Who's Who Year Book* for 1914-5 and the *Writer's and Artist's Year Book*. Both have their place and their value, and the small cost (1s. net) places them within the reach of all.

SITUATION IN THE NEW HEBRIDES

FAIR PLAY FOR BLACK AND WHITE

Being a series of resolutions passed by a Conference of the Protestant Churches held at Paama, New Hebrides, on June 24, 1913

WE are of opinion that the time has come when we can no longer refrain from calling the attention of the people of the British Empire to the deplorable condition of things existing in the New Hebrides.

Evidence has been accumulating for some considerable time of the inequality of the administration of justice in the New Hebrides. The proceedings of the Joint Court reveal the fact that breaches of the Convention by citizens of the French Republic have been so dealt with as rather to tend to lawlessness than to its suppression; the French National Court is singularly ineffective in the punishment of crime; the delays in bringing to trial natives charged with offences against each other are both a source of injustice to the natives and a menace to the good order of the Group, whilst the general condition of things calls for immediate and radical re-adjustment.

Owing to what seem to us serious deficiencies in the Articles of the Convention itself, it would appear that after a trial of nearly six years this instrument of government has been proved unworkable from the standpoint of British justice. To illustrate only one phase of this, we quote Article 19, sub-section 2, which enacts, "The authority charged with the execution of the penalty in a criminal or police case may reduce or remit such penalty." It is obvious that grave abuses are possible under this clause, and we have reason to know that such abuses have actually occurred.

Two serious results ensue from the foregoing anomaly in the administration of justice:—(1) The natives themselves have little chance of justice when involved in litigation with a Frenchman. (2) British settlers, who are compelled by their own authorities to keep the law, are placed at a serious disadvantage as compared with their French neighbours.

The Joint Court has only jurisdiction over breaches of

the Convention, and enough has been stated to show what a travesty of justice its proceedings often are.* It is, however, when we come to the French National Court, which has jurisdiction over criminal cases, that we see the extremes to which maladministration may go. In the solitary case which this Court has judged, out of many which should have come before it, the miscarriage of justice is as flagrant as imagination can picture.

We are of opinion that the infrequency of the meeting of the Joint Naval Commission is a just ground of complaint, seeing that natives who are accused of committing crimes against their fellows are often kept in the condition of convicted persons for long periods previous to trial, a state of things utterly incompatible with British justice.

With regard to the general condition of the natives, we feel bound to confess that the Condominium as an instrument of government has utterly failed to express the sense of our responsibility as a British people to native races. It has been the glory of Britain that wherever the flag flies the native-born has in course of time been brought under elevating influences. Here, on the contrary, the things that make for degradation and oppression are still operative. Grog selling, illegal recruiting and kidnapping are as rife as ever, and there is no improvement in the moral situation so far as Government initiative is concerned.

The difference in the French and British ideas as regards the treatment of native races is apparent when the case of native labour is brought into view. Whilst on British plantations fair conditions of life, work, and payment are generally maintained, the majority of French plantations furnish examples of an exploitation which can only be denominated slavery. Therefore, inasmuch as the government of the Islands is a conjoint responsibility, our nation must take its share in the disgrace attached to the shameful condition of affairs unless the strongest measures are taken by the British authorities to induce their French colleagues to deal justly with each case of complaint.

Without further elaboration of statement, or marshalling of much available material, we desire to express in the most emphatic manner possible our strong sense of the iniquity of further experimenting upon the lines which have been followed for the past five and a half years, and therefore declare our conviction that either the Convention, which is the basis of the operations of the Condominium, must be honoured in every part equally by the French as by the British; or some other arrangements regarding the status of this Group should be arrived at, by which the Condominium as such should be ended, and the islands brought under the British Flag.

* Instances are given, but we have not space to reproduce them.

We lay this matter before the British people in all parts of the Empire, believing that once the true state of affairs is fully realised it will no longer be tolerated.

Signed on behalf of the Conference by:—

CHAS. F. GRUNLING,
Representing the Melanesian Mission.

FRANK G. FILMER,
Representing the Church of Christ.

FRED J. PATON,
(Moderator),
Representing the Presbyterian Mission.

THOMPSON MACMILLAN,
Secretary of the Conference.

NOTE

Since the above was in type, the *Times* correspondent at Melbourne has cabled to his journal that an important meeting has been held in that city under the auspices of the Presbyterian Church. Mr. Watt, late Premier of Victoria, presided, and it was resolved:—

(1) That this meeting expresses profound regret at the admitted failure of the Condominium as at present constituted and administered in the New Hebrides, and asks that the Convention be strengthened and its terms equally enforced on all residents in the group.

(2) Should the British and French Governments fail to reach an agreement on these lines, we urge that the only solution satisfactory to Australia is an honourable understanding with France, whereby the New Hebrides will pass under British control.

(3) That no proposal for the settlement of the New Hebrides question be even tentatively entertained by the British Government without first giving the Commonwealth an opportunity of expressing its views.

It is extremely doubtful whether the Convention can be so revised as to be made satisfactory to all parties concerned. The best way out of the difficulty is for the Commonwealth and the Home Governments to combine together and buy out French interests. This is what ought to have been done when the Newfoundland Fisheries Question was settled.—ED.

SIDELIGHTS ON COLONIAL LIFE

Land Settlement in Southern Rhodesia.

THE new proposals for closer land settlement which the Directors of the British South Africa Company are submitting for the consideration of the people of Southern Rhodesia may well inaugurate a new era in the destinies of that great Province. It is proposed to establish a Land Settlement Board with statutory powers to acquire land, to improve it, to alienate it by way of sale or lease, and to raise capital for these purposes under powers defined by the ordinance establishing the Board. It is also to have the power to purchase undeveloped land compulsorily under defined conditions. Its functions are to be confined in the first place to a zone of about 25,000,000 acres lying within twenty-five miles of the railway. The Company itself owns about eight and a half millions of this land, but a good deal of the rest has been alienated. The compulsory purchasing powers of the New Board, however, together with the proposed tax on undeveloped land, should suffice to throw most of this vast and well-situated area open for intensive and scientific cultivation in the way of mixed farming, tobacco-planting, and fruit-growing. Apart from the great economic possibilities of Southern Rhodesia, the sporting and climatic attractions of the country should appeal to a large class of British people, and there is sure to be a steady stream of applicants for the farm-lands now awaiting cultivation.

The settler will have to be of the right sort, and the owner of a moderate amount of capital, but when these conditions are once fulfilled every possible help would be given him in the way of assisted passages, advances in money or stock, easy terms of purchase, and the best advice of the experts of the Board of Agriculture. Some people may wonder why a scheme of this sort has not been formulated before. They should remember that land settlement on a large and continuous scale is not possible until a system of railway and other communication has been established and some industrial life developed in order to provide markets for farm produce. These conditions are now pretty well fulfilled in Rhodesia. But, as a matter of fact, land settlement in Rhodesia

has now been proceeding for some years past. During the last four years 3,394 persons have been settled on land belonging to the Chartered Company, and others on land owned by individuals and private companies. Already between five and six million acres have been dealt with. But the time has now come for a larger and more sustained effort, and the scheme propounded by the Directors of the British South Africa Company seems admirably adapted to the needs and conditions of the future.

Communications in Canada.

The great railway systems of Canada continue to extend their ramifications, thus opening up to settlers large tracts of land hitherto not easily available. Work on the Grand Trunk Pacific is now under way on the Western section in British Columbia from Rose Lake to Hutton, a distance of 217 miles. In Saskatchewan the Prince Albert branch, 36 miles, the Moose Jaw north-west branch, 19 miles, and the Weyburn branch, 15 miles, are being proceeded with. In Manitoba the Brandon branch, 26 miles long, is being pushed forward. Other railway companies are equally active. The Ontario farmer has excellent communication with his markets. In addition to the railroad system, most of the farmers are connected by telephone. They can "ring up" the marketing centres; ascertain current prices, and learn if there is a glut of a certain commodity at one point, or a scarcity at another. The information enables them to place their goods in the most profitable market. Ontario's pre-eminence in this matter is due to the fact that electricity is cheap in the Province owing to its vast water power. For the same reason, the farmer benefits from another form of communication, electric trains. The southern portion of the Province is exceptionally well favoured in this respect, the country being traversed by a network of electric railways offering rapid and frequent communication with the markets.

South African Industries.

De Beers Diamond Company has recently imported a large consignment of pedigree stock for their stud farms. Thirty-six North Devons and Sussex bulls have been sent through to Rhodesia, where the Company have large estates, and the remainder, mostly shorthorns, are destined for the Kimberley district. In connection with the establishment of a successful bacon factory at Wellington (Cape Province) arrangements are being made for the shipment of a large consignment of pedigree pigs from England with the object of improving the quality of existing stock. The Natal sugar industry is this year expected to

produce about the same quantity of sugar as last year, viz. 95,000 tons. Several unfavourable circumstances have combined to retard the natural expansion of this industry. Last year the drought was responsible for a greatly reduced average of production, whilst the recent Indian labour trouble is bound to more or less affect this year's output. Given better conditions Natal and Zululand combined are capable of supplying the total requirements of South Africa, approximately estimated at about 130,000 tons. The Tweespruit Creamery, situated in the Orange Free State, has just declared a dividend of 10 per cent. on a capital of £15,000. Close upon 800,000 lbs. of butter were produced during the year, and farmers in the district who supplied the factory with cream received a good average profit for butter fat.

Things in Swaziland.

No happenings of political importance have occurred in Swaziland during 1912-13. The five year period of concurrent occupation of private land by Europeans and natives expires on the 30th June next, and the natives are now realising that the partition of native reserves is an accomplished fact, that, after June, they will have no rights on land owned by Europeans except in terms of any agreements that may be made. The prolonged drought was severely felt. Owing to the demand for native labour on the Witwatersrand mines all able-bodied natives desiring work were able to obtain it; 4,960 natives were recruited by labour agents and 3,360 passes were issued to natives proceeding to seek for work outside of Swaziland. The local demands were also met. Interest in cattle ranching is becoming marked, and there is reason to believe this industry will become a large factor in the future development of Swaziland, especially the low veld portion, which is particularly suitable for the purpose. Progress has been slow under the special circumstances which have obtained in the past, and while there is, to-day, no great amount of progress to be reported, the outlook is more hopeful than at any other time in the history of the territory.

Education in Bechuanaland Protectorate.

Grants were made during the year 1912-13 of £500 to the London Missionary Society, £150 to the Dutch Reformed Church Mission, and £150 to the Tiger Kloof Native Institution, in addition to other smaller grants to various European and native schools. The grant to the London Missionary Society is divided by that body among the various centres at which it carries on educational work, and in the Southern District of the Protectorate,

the grant is merged with the contributions, of the Bangwaketsi and Bakwena tribes, and administered by the Education Committees of those tribes, consisting of the Assistant Commissioner of the District as Chairman, the Resident Missionary as Secretary, the Chief, and a representative of the tribe. In the Bangwaketsi tribe, a balance of £248 8s. 5*d.* of the voluntary contributions was brought forward on the 1st April, 1912, and £210 11s. was contributed by that tribe during the year. The Bakwena started with a balance of £299 0s. 4*d.* at the commencement of the year and contributed £275 18s. during the year. The Bamalete contributed £192 1s. 1*d.* towards the cost of education during the year.

The scheme of voluntary contributions to the cost of education and management by local committees has not yet been adopted by the tribes in the Northern Protectorate. There are twenty-seven native youths from the Protectorate receiving technical and other instruction at the Native Institution established by the London Missionary Society at Tiger Kloof near Vryburg in the Cape Province. The inspector of schools, in his annual Report, states that with few exceptions the schools in the Protectorate show steady improvement, particularly in the Southern Protectorate, but that, taking into consideration the short school life of the pupils, any advanced type of education is not to be looked for. At the school for European children at Serowe, which received a grant-in-aid of £125, nearly thirty children are being educated. The local subscriptions towards the expenses amounted to £127. The average daily attendance was 22.6. At Francistown there is a small school for European children. The fees collected amounted to £43, and the Government grant was £80. The Tati Concessions, Limited, made good the deficiency of £10 11s. incurred during the year. A grant of £50 was made to a small school for the children of railway employees at Mahalapye.

Land Laws in the Solomon Islands.

Previous to the declaration of the British Protectorate, certain purchases of land had occurred in these islands, and some of these have since been made good by effective occupation and cultivation. One large claim comprising about 200,000 acres was extinguished by a money payment of £2,000. Others, mostly of very ancient date, and in most cases of very doubtful authenticity, still remain unadjudicated upon, and it is very desirable that the question of their confirmation or rejection should be considered as soon as possible. Under the provisions of King's Regulation No. 4 of 1896, land could be bought direct from the natives in fee simple. Every transaction was provisional until it had received

the approval of the High Commissioner for the Western Pacific. In some instances the case was referred to the Secretary of State for the Colonies before confirmation.

For some time the High Commissioner has withheld his sanction to private purchases of land, but leases are granted by the Government, who either purchase the land to be leased from the natives or leases on their behalf. In the latter case a commission of ten per cent. on the rent is retained by the Government. Land for agricultural purposes is leased upon a ninety-nine years' lease, the minimum rent being at present fixed at 3*d.* per acre for the first five years, 6*d.* per acre for the second five years, 3*s.* per acre from the eleventh to the twentieth year, 6*s.* per acre from the twenty-first to the thirty-third year, and thereafter a rental assessed at five per cent. of the unimproved value of the land. One-tenth part of the area must be cultivated within five years. Similar improvement conditions apply to land purchased under the provisions of Regulation No. 4 of 1896, and considerable areas of land have recently been forfeited owing to non-compliance with the improvement conditions.

Gold Coast Lands.

Deeds have come into common use in the Gold Coast, especially in land transactions between natives and Europeans. Where these deeds relate to grants of rights of mining, felling timber, and collecting rubber, and other products of the soil, they are called concessions, and their validity is inquired into by the Supreme Court, under the provisions of the Concessions Ordinance, 1900. The court inquires whether the grantors are the native owners of the land, whether the area falls within the prescribed limit of five square miles for a mining concession and 20 square miles for other concessions, whether the prescribed term of 99 years is exceeded, whether the consideration is adequate, and whether the statutory rights reserved to the natives are included in the deed. A survey and demarcation of boundaries by the Survey Department is ordered, and when it is completed a certificate of validity, giving the lessee an indefeasible title, subject to observance of his covenants, is issued by the court, in which are contained such modifications of the deed as the court may impose to bring it within statutory requirements, and to render it a transaction fair and equitable to both parties. The rent from certified concessions is paid to the native grantors through the Government. Concessions granted solely for purposes of plantation of rubber and other products may be exempted from the operation of the Ordinance; whilst concessions to acquire mineral oil are held subject to the Government right of pre-emption of the oil under Ordinance No. 15 of 1907.

Gold Coast Agricultural Statistics.

Agriculture is the most prominent native industry throughout the Gold Coast Colony, the principal food crops being yam, maize, cassada, plantain and amankani. The energy of the farmers is centred mainly on the cultivation of cocoa, of which 86,568,481 lbs., valued at £1,642,733, were exported in 1912, against 88,987,324 lbs., valued at £1,613,468 during the previous year, the decrease being attributed to the late ripening of the crop. From the higher ratio of value in proportion to production it may be inferred that the instruction given by travelling officials of the Agricultural Department is beginning to influence scientific cultivation.

The quantity of kola nuts exported in 1912 was the largest on record, 7,133,165 lbs., with a value of £134,231. Palm kernels show an increase on the figures for 1911, 14,628 tons being exported, against 13,254. The export of palm oil has declined, 1,444,432 gallons being shipped, against 1,610,209 in 1911, the decline being due to the increasing attention given to cocoa, which yields a more immediate profit. Rubber also shows a fall, 1,990,699 lbs. being exported in 1912, compared with 2,668,667 lbs. in the previous year. Agricultural stations in charge of European curators are established at Aburi, Tarquah, and Assuantsi in the Colony, at Coomassie in Ashanti, and at Tamale in the Northern Territories. A small sub-station was also opened at Kibbi, and a large nursery established. The European and native travelling instructors give most of their attention to the cocoa crops, but instruction is also given in connection with the cultivation of other products of economic importance.

Things in Seychelles.

The main industries in Seychelles are agricultural, the cultivation and care of vanilla, coconut and rubber plantations. Labour is plentiful. The rates of wages are:—Agricultural labourers, Rs. 10 to Rs. 15, domestic servants, Rs. 10 to Rs. 25, carpenters, Rs. 20 to Rs. 40, masons, Rs. 20 to Rs. 35, and blacksmiths, Rs. 25 to Rs. 60 per mensem. A considerable proportion of the people are employed in fishing, as fish forms the staple article of diet of the islanders. The cost of living has greatly increased since the preparation and export of copra have been developed. Previously most of the coconuts were turned into coconut oil and the residue, called punac, was used as fodder for cattle, pig and poultry; as this is no longer available other foodstuffs have to be purchased, resulting in a far higher price being asked for market produce. The freedom from endemic disease, the equable climate, and the ease with which life may be sustained should make a happy and contented people.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

HOPES that the New Year would bring a better state of affairs in the investment markets have been fulfilled to a gratifying degree. Gilt-edged securities have enjoyed a general and substantial advance, and this despite the existence of certain adverse influences, such as the grave South African labour trouble. But cheap money and the optimism naturally induced by the passing of a year beclouded by world-wide financial depression have exerted a powerful strengthening influence on fixed-interest securities of all classes.

Depreciation of investments, such as professional and private investors have witnessed and suffered during the past few years, is not an unmixed bane. It has increased the profit-earning capacity of invested capital. An instance of this is afforded by the results of the big banks recently announced. Despite the necessity with which they are faced of appropriating enormous sums out of profits to provide for depreciation, the profits they have earned during the past year have enabled them, as a rule, to do this easily without reducing dividends. An excellent example is that of the London City and Midland Bank, whose big profit of £1,235,185 for the year, apart from £132,993 brought forward, enabled the directors again to recommend a dividend making 18

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeem-able.	Price.	Yield.	Interest Payable.
INDIA.					
3½% Stock (t) . . .	£ 91,276,210	1931	85½	4½	Quarterly.
3% " (t) . . .	66,480,596	1948	72¾	4½	"
2½% " Inscribed (t) . . .	11,892,207	1926	61	4½	"
3½% Rupee Paper 1854-5	..	(a)	95½	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	72	4 $\frac{1}{8}$
Bengal and North-Western (Limited)	3,000,000	8	100	153	5 $\frac{3}{8}$
Bengal Doocars, L.	400,000	6	100	103 $\frac{1}{2}$	5 $\frac{3}{8}$
Bengal Nagpur (L), gtd. 4% + $\frac{1}{4}$ th profits	3,000,000	5	100	113	4 $\frac{3}{8}$
Burma Guar. 2 $\frac{3}{4}$ % and propn. of profits	3,000,000	4 $\frac{3}{4}$	100	105	4 $\frac{1}{2}$
Delhi Umballa Kalka, L., guar. 3 $\frac{1}{2}$ % + } net earnings }	800,000	9 $\frac{1}{2}$	100	197	4 $\frac{1}{8}$
East Indian Def. ann. cap. g. 4% + $\frac{1}{2}$ % sur. profits }	1,721,949	6 $\frac{9}{10}$	100	98 $\frac{1}{2}$	6 $\frac{1}{2}$
Do. do, class "D," repayable 1953 (t)	4,828,051	5 $\frac{7}{8}$	100	119 $\frac{1}{2}$	4 $\frac{7}{8}$
Do. 4 $\frac{1}{2}$ % perpet. deb. stock (t)	1,435,650	4 $\frac{1}{2}$	100	110	4 $\frac{1}{4}$
Do. new 3% deb. red. (t)	8,000,000	3	100	71x	4 $\frac{1}{8}$
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	97	4 $\frac{1}{2}$
Do. 3% Gua. and $\frac{1}{10}$ surp. profits 1925 (t)	2,575,000	4 $\frac{3}{8}$	100	98 $\frac{1}{2}$	4 $\frac{3}{8}$
Madras and South Mahratta	5,000,000	5	100	111 $\frac{1}{2}$	4 $\frac{7}{8}$
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	97	5 $\frac{1}{8}$
Do. 3 $\frac{1}{2}$ % red. mort. debts.	1,063,300	3 $\frac{1}{2}$	100	76	4 $\frac{9}{8}$
Robilkund and Kumaon, Limited	400,000	7 $\frac{1}{2}$	100	153 $\frac{1}{2}$	4 $\frac{7}{8}$
South Behar, Limited	379,580	5	100	102x	4 $\frac{1}{2}$
South Indian 4 $\frac{1}{2}$ % per. deb. stock, gtd.	425,000	4 $\frac{1}{2}$	100	109	4 $\frac{1}{2}$
Southern Punjab, Limited	1,000,000	10	100	163 $\frac{1}{2}$	6 $\frac{1}{8}$
Do. 3 $\frac{1}{2}$ % deb. stock red.	500,000	3 $\frac{1}{2}$	100	80	4 $\frac{1}{8}$
West of India Portuguese Guar. L.	800,000	5	100	89x	5 $\frac{9}{8}$
Do. 5% debenture stock	550,000	5	100	97x	5 $\frac{3}{8}$
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China }	60,000	16 $\frac{1}{2}$	20	60 $\frac{1}{2}$	5 $\frac{7}{8}$
National Bank of India	80,000	14	12 $\frac{1}{2}$	41 $\frac{1}{2}$	4 $\frac{1}{2}$

(t) Eligible for Trustee Investments.
(x) Ex dividend.

per cent. for the year, to pay £43,774 in income tax for shareholders and to appropriate £326,000 for writing down investments, £50,000 for building redemption fund, £20,000 for officers' pension fund, and £30,000 for bonus to the staff and to increase the carry-forward to £147,994. A year ago the appropriations were £41,886 for income tax, £160,000 for writing down investments, £50,000 for building redemption, £20,000 for officers' pension fund and £10,000 to staff widows' fund.

Striking criticisms upon the nation's gold reserves were made by Sir Edward Holden in his speech before the shareholders of the London City and Midland Bank. He dwelt upon their inadequacy and declared that a Royal Commission is needed to investigate the matter. He emphasised the necessity for the formation of some scheme for the issue of emergency currency. Referring to the fact that our big banks still refrain from publishing the extent of their gold holdings, Sir Edward announced that unless some arrangement as to the amount of gold to be held were agreed upon within twelve months his own bank

would publish the information as regards itself in its balance-sheet at the end of the year.

As to Canada, with her recent enormous borrowing operations, he suggested that it was her obvious duty to go slowly, to expand less and to borrow less. At the same time he thought that it would be a mistaken policy for investors to button up their pockets against Canada so long as the securities were of a first-rate character. In regard to India, Sir Edward hopes that the Commission now sitting will recommend that the Gold Standard reserve should be held to a larger extent in gold than had hitherto been done. He is of opinion that the establishment of a Central Bank in India is bound to come.

Among Indian investments the climax of the native banking trouble, with the startling disclosures in the Indian Specie Bank case, have not prevented a general advance. It is recognised that, far from damaging the British-managed banks and institutions, the affair has enhanced their prestige by emphasising the advantage of their immunity from the methods and practices that have caused all the trouble.

Canada was represented among the New Year new issues by one municipal and one provincial loan, both combining good yields with sound security. South Vancouver, destined, no doubt, eventually to become part of the City of Vancouver itself, offered £200,000 of 5 per cent. Stock through the Bank of Montreal at 91, the proceeds being required to redeem Treasury Bills and to meet expenditure on public works. This brings the total debt of the municipality up to £895,593, whereas the net assessed value for taxation is £7,000,000.

The provincial issue was that of Saskatchewan, which offered £1,000,000 of 4½ per cent. five-year debentures at 96½. These debentures carry a valuable conversion option, the holders having the right to receive £105 of stock on or before March 31 in exchange for each £100 debenture; or £102 of stock at any subsequent date up to July 1, 1918. Both the South Vancouver and Saskatchewan issues are now quoted at a premium.

The City of Calgary is among the more recent Canadian municipal borrowers. Its issue was of £719,600 in 5 per cent. debentures at 97, and the offer was eagerly subscribed, the lists being closed within an hour of their opening.

Another important and successful Canadian issue was that of the Pacific Great Eastern Railway, which offered £1,500,000 first mortgage 4½ per cent. debenture stock at 95, guaranteed unconditionally by the British Columbian Government.

In its last monthly statement, the Canadian Pacific Company showed that an increase of \$1,044,000 in gross earnings was accompanied by a growth of only \$414,000 in working expenses,

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . . .	28,162,776	1930-50*	89	4½ ¹ / ₈	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	91	4½ ³ / ₈	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock . . .	2,045,760	1941	76	4½ ⁹ / ₈	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . . .	1,915,000	1950	90	4½ ⁹ / ₈	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . . .	450,000	1949	93	4½ ³ / ₈	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	81	4½	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . . .	1,200,000	1946	86	4½ ⁵ / ₈	1 Jan.—1 July.
QUEBEC.					
3% Inscribed	1,897,820	1937	79	4½	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . . .	1,082,192	1951	86	4½ ³ / ₈	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. . .	1,920,900	1930-42*	90	5½ ³ / ₈	1 Jan.—1 July.
Edmonton 4½% Debs. .	641,400	1918-51*	90	5½ ⁷ / ₈	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	88	5	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	93	4½ ³ / ₈	1 May—1 Nov.
Quebec 4% Debs.	385,000	1923	95	4½ ¹ / ₈	1 Jan.—1 July.
Regina 4½% Debs. . . .	382,500	1925-52*	89	5½ ³ / ₈	1 Jan.—1 July.
Toronto 4% Bonds . . .	300,910	1922-28*	92	4½ ³ / ₈	1 Jan.—1 July.
Vancouver 4% Bonds . .	121,200	1931	87½	5½ ³ / ₈	1 Apr.—1 Oct.
Winnipeg 4% Regd. . . .	2,500,000	1940	92	4½ ⁹ / ₈	1 Apr.—1 Oct.

* Yield calculated on latest date.

leaving an increase of \$630,000 in net earnings. Thus the aggregate net decrease shown at the end of the previous month is converted into an aggregate net increase of \$249,000 for the first five months of the company's financial year. On February 2 the right to participate in the Canadian Pacific Railway Note Certificate issue expires, and in view of the substantial value of the right to subscribe for these certificates at 80 per cent., shareholders who have not yet done so should lose no time in completing the necessary documents.

Owing to their very remunerative yield the issue of Grand Trunk Pacific Railway seven-year secured notes, though not fully subscribed, met with a much better response than most issues

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	10	\$100	214½	4½
Do. 4% Preference . . .	£15,173,563	4	Stock	92	4½ ⁵
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	95½	4½
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	20½	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	100	5
Do. 5% 2nd " . . .	£2,530,000	5	"	90	5½
Do. 4% 3rd " . . .	£7,168,055	2½	"	47½	5½
Do. 4% Guaranteed . . .	£12,215,555	4	"	81½	4½
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	113	4½
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	90½	4½
BANKS AND COMPANIES.					
Bank of Montreal . . .	160,000	12	\$100	241½	5½
Bank of British North America	20,000	8	50	74	5½
Canadian Bank of Commerce .	200,000	12	\$50	£20	6½
Canada Company . . .	8,319	50s. per sh.	1	21½	11½
Hudson's Bay . . .	1,000,000	50	1	9½	5½ ⁵
Trust and Loan of Canada . .	100,000	8	5	6	6½
Do. new . . .	25,000	8	3	3½	7½
British Columbia Elec. Def.)	£1,200,000	8	Stock	102	7½ ⁵
tric Railway . . .) Prefd.	£1,200,000	6	Stock	101	5½ ⁵

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds . . .	2,178,800	1941-7-8*	81	4½	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	72	4½ ¹	
4% Inscribed Stock . . .	320,000	1913-38*	97	4½ ⁸	
4% " " " . . .	427,881	1935	98	4½	
4% Cons. Ins. " . . .	200,000	1936	97	4½ ³	
3½% Inscribed, 1910 . . .	800,000	1950	88	4½ ³	

* Yield calculated on latest date.

offered at about the same time, and has subsequently risen more than two points above the issue price of 97. At anything under 100 these notes, carrying, as they do, the guarantee of the parent Grand Trunk Railway as to both principal and interest, are an excellent short-term investment.

Two Australian States have appeared as borrowers in London during the month. New South Wales offered at 96 per cent. £3,000,000 of 4 per cent. stock, redeemable 1942-62, for railway purposes. Only about 10 per cent. of the loan was subscribed by the general public and the Scrip fell to a discount, but it has since been in demand and the discount has disappeared.

Victoria's demand was comparatively moderate, being for

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	98	4 $\frac{1}{8}$	1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	95	4 $\frac{3}{8}$	
3% " " (t)	12,475,800	1935	83	4 $\frac{1}{2}$	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	99	4 $\frac{3}{8}$	1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,987,250	1921-6†	93	4 $\frac{1}{2}$	
3% " (t) . .	5,211,331	1929-49†	78	4 $\frac{3}{8}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,999,000	1924	99	4 $\frac{1}{2}$	1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	94	4 $\frac{1}{2}$	
3% " " (t)	4,274,213	1922-47†	79	4 $\frac{3}{8}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	100	4 $\frac{1}{2}$	1 Apr.—1 Oct.
4% Inscribed Stock . .	6,281,500	1916-7-36†	99	4 $\frac{3}{8}$	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	83	4 $\frac{1}{2}$	1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	839,500	1916-26†	87	4 $\frac{3}{8}$	
3% " " (t)	2,760,100	1916 † or after.	73	4 $\frac{1}{8}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . . .	3,780,000	1920-35†	89	4 $\frac{5}{8}$	1 May—1 Nov. 15 Jan.—15 July.
3 $\frac{1}{2}$ % " (t)	3,750,000	1915-35†	80	4 $\frac{1}{2}$	
3% " (t)	2,500,000	1927†	88	4 $\frac{3}{8}$	
TASMANIA.					
3 $\frac{1}{2}$ % Inscdb. Stock (t)	4,156,500	1920-40†	87	4 $\frac{5}{8}$	1 Jan.—1 July.
4 $\frac{1}{2}$ % " " " (t)	1,000,000	1920-40*	97	4 $\frac{9}{8}$	
3% (t)	450,000	1920-40†	80	4 $\frac{1}{2}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

£1,000,000, 4 per cent. stock for that amount being offered at 97. This loan, too, was for railway purposes. The issue scored complete success. The lists were closed early, and it later transpired that the amount required had been subscribed four and a half times over.

In the full report of the Bank of New South Wales for the half-year ended September 30, it is stated that after deducting rebate on current bills, interest on deposits, paying note and other taxes, reducing valuation of bank premises, providing for bad and doubtful debts and fluctuations in the value of investment securities, and including recoveries from debts previously written off as bad, the net profits amount to £251,852, to which is to be added undivided balance from last half-year, £87,503, giving for distribution £339,355, which the directors recommended to be dealt with as follows:—To payment of dividend at the rate of 10 per cent. per

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	97	4 $\frac{5}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb. }	850,000	1915-22*	97	5 $\frac{5}{8}$	
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	100	4 $\frac{1}{2}$	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs. }	128,700	1919	100	4 $\frac{1}{2}$	
Sydney 4% Debs.	300,000	1919	97	4 $\frac{1}{2}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff	12,000	% 5	5	5 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£130,900	4 $\frac{1}{2}$	100	92	4 $\frac{1}{2}$
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	118	5 $\frac{3}{8}$
Bank of New South Wales	125,000	10	20	40 $\frac{1}{2}$	4 $\frac{1}{2}$ ⁵ / ₈
Union Bank of Australia £75	60,000	14	25	56 $\frac{1}{2}$	6 $\frac{1}{2}$ ⁵ / ₈
Do. 4% Inscribed Stock Deposits	£600,000	4	100	97	4 $\frac{1}{2}$ ⁵ / ₈
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	6 $\frac{3}{4}$	9 $\frac{1}{2}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	90	4 $\frac{7}{8}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{1}{2}$	6 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	98	4 $\frac{1}{2}$ ⁵ / ₈
Goldsbrough Mort & Co. 4% A Deb.) Stock Reduced	£998,530	4	100	82 $\frac{1}{2}$	41 $\frac{1}{2}$ ³ / ₈
Do. B Income Reduced	£669,543	5	100	93 $\frac{1}{2}$	5 $\frac{5}{8}$
South Australian Company £15	14,200	£4	£4	63 $\frac{1}{2}$ x	6 $\frac{1}{2}$
Trust & Agency of Australasia	54,979	12 $\frac{1}{2}$	1	1 $\frac{3}{4}$	10 $\frac{1}{2}$
Do. 5% Cum. Pref. Stock	1,000,000	5	100	96 $\frac{1}{2}$	5 $\frac{1}{2}$

(z) Ex dividend.

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	100 $\frac{1}{2}$ x	4 $\frac{1}{2}$ ¹ / ₈	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	99	4 $\frac{1}{8}$	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,543,932	1940	88	4 $\frac{1}{2}$	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	79	4 $\frac{1}{2}$	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

(e) Ex dividend.

annum, £162,893; three months' dividend on new capital paid £6,053; interest at 5 per cent. per annum to 30th June, 1913, on capital paid in advance on other than the fixed dates, £1,751;

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb.	200,000	1934-8*	104	4 $\frac{5}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4 $\frac{3}{8}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	11 $\frac{1}{2}$	4 $\frac{7}{16}$	—
Do. 4% Gua. Stock‡	£1,000,000	1914	98	5 $\frac{5}{16}$	April—Oct.
Christchurch 6% Drainage Loan.	200,000	1926	108 $\frac{1}{2}$	5	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% Debs.	200,000	1929	106 $\frac{1}{2}$	5 $\frac{5}{16}$	1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	100	5	
Do. 5% Debs.	200,000	1928	100	5	
National Bank of N.Z. £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid	278,926	div. 13%	5	6 $\frac{1}{2}$	Jan.—July.
Oamaru 5% Bds.	173,800	1920	98	5 $\frac{3}{8}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	101	4 $\frac{7}{8}$	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	103 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks	130,000	1929	113 $\frac{1}{2}$	4 $\frac{7}{8}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs.	165,000	1933	99	4 $\frac{3}{16}$	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	97	4 $\frac{7}{16}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.
 † £6 13s. 4d. Shares with £3 6s. 8d. paid up.
 ‡ Guaranteed by New Zealand Government.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	101	4 $\frac{1}{2}$	15 Apr.—15 Oct.
4% 1883 Inscribed	3,670,995	1923	99	4 $\frac{3}{16}$	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	99	5 $\frac{1}{16}$	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t)	14,891,244	1929-49†	87	4 $\frac{3}{16}$	1 Jan.—1 July.
3% 1886 " (t)	7,483,240	1933-43†	77	4 $\frac{1}{2}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876	758,700	1919	102	4 $\frac{3}{8}$	15 Mar.—15 Sep.
4% Inscribed (t)	3,026,444	1937	100	4	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	83	4 $\frac{1}{4}$	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	76	4 $\frac{3}{8}$	1 Jan.—1 July.
TRANSVAAL.					
3% Guartd. Stock (t)	35,000,000	1923-53†	90 $\frac{1}{2}$	3 $\frac{7}{8}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.
 † Yield calculated on later date of redemption.
 (t) Eligible for Trustee Investments.

augmentation of the reserve fund, £100,000; leaving to be carried forward £68,658.

Thanks to the firm and prompt measures taken by the Union Government, the South African strike with its threat of a com-

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4%	763,000	1954	91	4 $\frac{7}{8}$	1 Jan.—1 July.
Cape Town 4%	1,851,850	1953	94	4 $\frac{5}{8}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	92	4 $\frac{3}{8}$	30 June—31 Dec.
Johannesburg 4%	5,500,000	1933-4	92	4 $\frac{1}{2}$	1 April—1 Oct.
Krugersdorp 4%	100,000	1930	91	4 $\frac{7}{8}$	1 June—1 Dec.
Pietermaritzburg 4%	814,855	1949-53	90	4 $\frac{1}{2}$	30 June—31 Dec
Port Elizabeth 4%	369,068	1964	91	4 $\frac{7}{8}$	30 June—31 Dec
Pretoria 4%	1,250,000	1939	91	4 $\frac{9}{8}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	90	4 $\frac{3}{4}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	90 $\frac{1}{2}$	5 $\frac{1}{2}$
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . . }	£1,931,800	5	100	97	5 $\frac{1}{2}$
Trans-African 5% Debs. Red.	£1,843,800	5	100	80 $\frac{1}{2}$	6 $\frac{3}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	5 $\frac{3}{4}$ x	6 $\frac{1}{8}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{1}{2}$	7 $\frac{1}{2}$
National Bank of S. Africa £10	131,690	6	10	11	5 $\frac{7}{8}$
Standard Bank of S. Africa £20	309,705	14	5	11 $\frac{1}{2}$	6 $\frac{1}{2}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	7 $\frac{9}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	1 $\frac{1}{8}$	9 $\frac{3}{8}$
British South Africa (Chartered)	8,937,559	nil	1	8	nil
Do. 5% Debs. Red.	£1,250,000	5	100	10 $\frac{3}{4}$	41 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{7}{8}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{2}$	—
Kimberley Waterworks £10	45,000	5 $\frac{1}{2}$	7	6 $\frac{1}{2}$	6 $\frac{7}{8}$

(x) Ex dividend.

plete stoppage of industries, including the gold mines, has had but little effect on South African securities and shares. But for the energetic action of the authorities, the strike might have had incalculably serious results, especially by causing further disturbance of the native labour supply. Already the mining industry has been seriously hampered by the shortage of natives due to the unrest produced by the miners' strike last year.

For the first time since the South African War the year's production of gold from the Transvaal shows a setback, the aggregate output for 1913 being £1,400,000 in value less than that for the preceding year, as will be seen from the following table giving the output month by month for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908
	£	£	£	£	£	£
January . . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April	3,334,358	3,133,333	2,836,267	2,629,535	2,578,804	2,403,500
May	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July	2,783,917	3,255,198	3,012,738	2,713,088	2,636,965	2,482,608
August	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September . .	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November . . .	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146	2,609,635
December . . .	2,857,938	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * . . .	37,358,040	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

There was some recovery in the native labour supply for the gold mines during December, but it came too late to affect the year's gold output and was trifling in comparison with the diminution that had occurred during the preceding eight months. The year closed with a native labour supply 41,000 hands short of the supply at the end of the preceding year. The following statement gives the native labour figures for each month of the past two years :

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 . .	5,764	184,046	January 1913 . .	8,774	200,090
February " . . .	6,274	190,320	February " . . .	7,572	207,662
March "	6,428	196,748	March "	71	207,733
April "	1,189	197,937	April "	2,309*	205,424
May "	4,108*	193,829	May "	7,780*	197,644
June "	5,335*	188,494	June "	8,550*	198,094
July "	5,569*	182,925	July "	17,852*	170,242
August "	3,814*	179,111	August "	12,019*	158,223
September " . .	1,628	180,739	September " . . .	5,586*	152,637
October "	1,319	182,058	October "	3,755*	148,882
November " . . .	4,823	186,881	November " . . .	1,313*	147,569
December " . . .	4,435	191,316	December " . . .	2,443	150,012

* Net loss.

The Rhodesian gold output for December amounted in value to £254,687, being an increase of £15,651 over the previous month, and an increase of £36,026 over the corresponding month of 1912. The total value of the gold output for 1913 constitutes a record, being £195,899 in excess of that for 1912. The following statement shows the monthly output for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . . .	220,776	214,918	207,903	227,511	204,666	199,380
February . . .	208,744	209,744	203,055	203,838	192,497	191,635
March . . .	257,797	215,102	231,947	228,335	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,838	225,032	223,867
June . . .	241,303	226,867	215,347	214,709	217,600	224,920
July . . .	249,301	240,514	237,517	195,233	225,234	228,151
August . . .	250,576	239,077	243,712	191,423	223,296	220,792
September . . .	250,429	230,573	225,777	179,950	213,249	204,262
October . . .	247,068	230,072	218,862	234,928	222,653	205,466
November . . .	239,036	225,957	214,040	240,573	236,307	196,668
December . . .	254,687	218,661	217,026	199,500	233,397	217,316
Total . . .	2,903,267	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

The other minerals produced from Southern Rhodesia during August comprised 11,602 ounces of silver, 24 tons of lead, 26,431 tons of coal, 2,318 tons of chrome ore, and 60 carats of diamonds valued at £211.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4½	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4½	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	101	4	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	82	4½	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . .	1,099,048	1934	101	4	15 Feb.—15 Aug.
Do. 3½% ins. (t) . . .	1,493,600	1919-49†	87	4½	24 Jan.—24 July.
Mauritius 3% guar. }	600,000	1940	87	3½	1 Jan.—1 July.
Great Britain (t) . }					
Do. 4% ins. (t) . . .	482,390	1937	98	4½	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	89	4½	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	100	4½	15 Mar.—15 Sep.
Do. 3% ins. (t)	600,000	1922-44†	78	4½	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . }	120,000	Div. £4½	£80½	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee Investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,102,800	3	99	91	3½
„ Unifed Debt	£55,971,960	4	100	98½	4½
National Bank of Egypt	300,000	8	10	15½	5½
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	4½	5½
„ „ „ Preferred	125,000	4	10	7½	5½
„ „ „ Bonds .	£2,350,000	3½	100	79	4½

(t) Eligible for Trustee Investments.

TRUSTEE.

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ARMAMENTS AND THE EMPIRE

BY SIR MAX WAECHTER

THE British Empire is the largest Empire the world has seen. The Empire of Alexander the Great, the Roman Empire, the Saracen Empire, the Empires of Charlemagne, Charles V. and Napoleon I. were small if compared with this gigantic Empire of ours. According to the Statistical Abstract of the British Empire just published, the Empire comprises 11,375,000 square miles, an area which is almost exactly one hundred times as large as that of the United Kingdom, about sixty times as large as that of Germany, and about three times as large as the entire continent of Europe. The enormous extent of the British dominions becomes clear to us if we remember that Canada alone is larger than the United States. Yet Canada accounts only for one-fourth of the British territory.]

The British Empire is not only by far the largest the world has ever seen but is also by far the most valuable. The men of English stock have known how to obtain the most fruitful and the most highly mineralised lands in all zones and the finest strategical positions in all seas. The most valuable islands and the keys to practically all the seas are in British hands, and the most valuable harbours and coaling stations throughout the world are under the British flag.

The first need of the nations is space. The densely populated States on the Continent of Europe and in Asia find their territories too narrow. They wish to expand and to acquire colonies, harbours and coaling stations wherever they can be obtained. They find that Great Britain and the British Dominions, with their small white population, possess the largest, the most thinly populated, and the most desirable territories of the world. The British Empire is the envy of all nations. It is a proud thing,

but it is also a dangerous thing, to be universally envied, and herein lies a great danger to the Motherland and to the Dominions.

The position of the British Empire is a precarious one. It forms not a solid and homogeneous mass, a powerful single entity for defence, but it is broken up and scattered over five continents and over all the seas. Besides, while the highways of inter-communication between province and province and between city and city are internal in the case of the other Great Powers, and are therefore out of reach of an enemy, they are external in the case of the British Empire. A State more powerful at sea than the British Empire can cut the communications between the Dominions and the Motherland, and as the British Empire has an enormous transmaritime trade, a trade which is absolutely indispensable to its existence, it is clear that the British peoples must guard the freedom of the seas with all their power and against all comers.

The British Empire is most vulnerable not only because it is widely scattered and because it depends upon the freedom of the seas for its very life, but also because practically all its most important towns lie on or close to the sea. London, Liverpool, Manchester, Bristol, Newcastle-on-Tyne, Portsmouth, Cardiff, Edinburgh, Glasgow, Aberdeen, Dundee, Dublin, Belfast, Calcutta, Bombay, Madras, Rangoon, Colombo, Aden, Singapore, Hong-Kong, Sydney, Melbourne, Adelaide, Brisbane, Perth, Hobart, Auckland, Wellington, Christchurch, Dunedin, Montreal, Quebec, Vancouver, Victoria, St. Johns, Cape Town, Durban and many others lie on, or close to, the sea and within the reach of a strong naval Power. The British Empire is not only the greatest but also the most vulnerable Empire the world has seen. Its possessions are coveted by many. Hence it must always be prepared for war. Among the nations of the world the British can least afford to neglect its military and naval preparations.

The British Dominions owe their prosperity partly to their vast natural resources, partly to the natural energy and ability of the race, partly to the fact that the inhabitants are very lightly taxed and can concentrate their abilities and their capital entirely upon the development of their vast natural resources. The vast prosperity and the wonderful progress of the British Dominions are no doubt largely due to this that hitherto they have been practically free from war and from the fear of war, that they have been free from the curse of militarism and from the onerous burden which militarism entails. This favoured position may not last for long. The armament race has hitherto been restricted to Europe, but signs are not wanting that it may soon extend to the Dominions as well. The Dominions also may become acquainted

with the burden of armaments. Their progress also may be aided and impeded by the intolerable burdens of armed peace.

Great Britain, with only 45,000,000 inhabitants, becomes from year to year less able to support the weight of Imperial defence. From year to year she becomes less able to defend the Empire against the great and densely populated military States which envy the British race for its possessions. The armies of the world, and especially the navies of the military States, are increasing with ominous speed. The navies of the world are being increased with such rapidity that it would seem that the nations of the world believe that the next great war will not be a war for the rectification of the European land frontiers but for the possession of colonies. "Ships, colonies and commerce" may become once more the watchword of the military nations of Europe as it was in the time of Queen Elizabeth.

At present Great Britain is spending every year the colossal sum of £70,000,000 on her army and navy. During the last decade the military and naval expenditure of the European Great Powers has approximately doubled and the expenditure of the European Great Powers on the navy has considerably more than doubled. The future seems likely to bring further increases in the sums spent on the European armies and especially on the European navies. The power of Great Britain to provide the necessary funds for the further expansion of her fleet is evidently lessening. The defence of the Dominions will, in a constantly increasing measure, devolve upon the colonies themselves. The time may come, and it may not be very far off, when the Dominions will have to create powerful fleets and large armies for their defence, when they will have to spend every year perhaps as much upon warlike preparations as is spent at present by the United Kingdom. It is needless to say that such a heavy expenditure would have the most unfortunate effect upon the prosperity, the social life, and the progress of the Dominions. It need scarcely be pointed out that the heavy expenditure involved would have to be borne by a comparatively small number of people, that taxation per head would be exceedingly heavy and that the necessary expenditure on armaments would interfere very seriously with the life of the Dominions in every direction.

How greatly favoured the Dominions are at present, owing to the fact that the armament race is as yet confined to the military States of Europe, will be seen when we consider Europe's naval and military burden. The States of Europe spend per year approximately £500,000,000 upon their armies and navies. This expenditure is truly enormous, but it tells only one-half of the tale. In the European States about 5,000,000 men are permanently kept under arms in the armies and navies. They are

the pick of the able-bodied men, the very flower of the nation, and they are withdrawn from economic production during the years of their greatest efficiency. This involves a further, and a most serious, economic loss, by restricting production and thus creating an artificial scarcity. The officers and men in the armies and navies are drawn from all classes of society. Hence they could earn a good income in civil life. If we estimate that these 5,000,000 men could on an average earn £100 per year, or a little less than £2 per week—that estimate is surely a moderate one—it would appear that the 5,000,000 men who are permanently under arms could earn £500,000,000 per year in civil life. Hence of the maintenance of peace is costing Europe, in both direct and indirect expenditure, the gigantic sum of approximately £1,000,000,000 per annum. The vastness of Europe's military expenditure staggers the imagination. The real meaning of the expenditure of £1,000,000,000 per annum can be realised only by comparison. The Panama Canal will, when completed, cost approximately £80,000,000. It follows that Europe spends on her armaments every year a sum which is about twelve times as large as the cost of the Panama Canal, the most gigantic and the most expensive engineering undertaking which the world has seen. It appears that Europe spends every month as much on her armaments as the United States spent on the Panama Canal in the course of a decade. We cannot wonder when we think of these enormous figures that the European masses live in poverty, and that the European governments have little money to spare for social, educational and benevolent objects; that wages are low and that emigration is large.

Europe's expenditure on warlike preparations is constantly and very rapidly growing. During the last decade the naval expenditure of the nations has much more than doubled. Last year the German Parliament voted a special "war levy" of about £50,000,000, and other extraordinary expenditure for the Army amounting to approximately the same sum. In round figures £100,000,000 were added to Germany's warlike expenditure, and the other Great Powers on the Continent of Europe are following Germany's example. France, Russia, Austria-Hungary and Italy have enormously increased their military budgets, and the smaller States are reluctantly compelled to follow suit.

The military burdens oppress the nations of Europe. They cripple trade and industry. They produce wide-spread dissatisfaction among the masses of the people who are oppressed by the heaviness of the taxes. The dissatisfaction created by this state of affairs increases day by day. The largest part of the expenditure of the nations is the expenditure on armaments. In sheer despair the nations of Europe may try to find salvation

either in a great war, for peace tends to become more costly than war; or universal bankruptcy may overtake the nations; or the widespread dissatisfaction created by the burden of armaments may bring about a revolution of the people. The burden of armaments threatens to overwhelm the nations of Europe and civilisation itself, and the danger is great that the curse which weighs upon Europe will spread to the British Dominions which hitherto have been free from the burden of armaments.

What can be done to avert this evil?

A wise physician endeavours to deal not with the symptoms but with the cause. Which, then, is the cause of the armament race? If we can find out the cause we can surely also discover a remedy.

The cause of the armament race lies evidently in the disunion of Europe. Europe is divided into two camps, the Triple Alliance and the Triple Entente. Both groups are approximately equally strong and each group contemplates the other with distrust and fear. Each fears to be overwhelmed by the other. Hence each strives, for the sake of self-preservation, to increase its armaments to such an extent that it may hope to be victorious in the case of a war with the rival group. The armament race is therefore clearly caused by the present organisation of Europe. It is caused by the fact that the European Great Powers are divided into two groups. This being the case, it is as clear as sunlight that harmony and goodwill can reign throughout Europe only if the European divisions should be abolished, if the Powers of the Triple Entente and the Triple Alliance should be combined into a solid and cordial sextuple alliance for the preservation of peace and for the promotion of their mutual welfare. It is, of course, vain to hope that it will be possible to unite the six Great Powers of Europe on purely sentimental grounds. They should be united by the bond of mutual advantage. Only then can we hope that such a sextuple alliance will possess durability and permanence.

History teaches us that nations speaking different languages and belonging to different religions may be firmly and permanently united in a federation. Switzerland is a federation of a large number of small independent States called Cantons. The Swiss are not one nation and they do not speak one language. Every Canton has a history of its own of which it is proud. There are Italian-speaking Cantons, German-speaking Cantons and French-speaking Cantons. There are Roman Catholic Cantons and there are Protestant Cantons. Yet for all practical purposes, Switzerland is a single State and the Swiss are a single nation. Germany is a federation of a number of kingdoms and principalities and of three republics. The experience of Germany, Switzerland, the

United States, and of our own Dominions shows that different States, possessing different ideals and different constitutions, may be firmly united on a federal basis.

I have myself spent much time in studying the problems which divide Europe. I have studied the political problems of the different nations by going among them and by discussing their divisions and the possibility of a European Federation with their sovereigns, their statesmen, their politicians and their intellectual leaders. My painstaking and long-continued investigations have shown me that there is a general disposition in favour of such a federation. Naturally, it does not suffice to discuss such a subject with the leaders of the peoples. The nations themselves must be gained over. The nations themselves must be shown that the preservation of peace is in their interests, that the Federation of Europe would make war impossible in Europe, that, with the disappearance of the fear of European war, armies and navies would automatically be reduced because the enormous armaments which exist at present would no longer be necessary.

It is clear that a federated Europe would wonderfully flourish and prosper. Every year hundreds of millions of pounds which are now spent on the army and navy might be saved. Money would become cheap and plentiful. The manufacturing industries and agriculture would flourish as never before. Wages would rise, production would increase, employment would improve, the people would be happy and prosperous, and the fear of war, which depresses the nations at present, and which periodically brings about severe economic crises, would be abolished.

Experience teaches us that mutual interest is the strongest bond for binding nations together. The quarrelling States of Switzerland, Germany and of the United States of America were bound together by the firm bonds of interest, by the joint possession of a valuable home market. Formerly, every little State of Switzerland, of Germany and of America was an economic entity. Customs boundaries separated State from State in the same way in which Customs boundaries divide now nation from nation in Europe. The federation of Switzerland, of Germany, of the United States, and of our own great Dominions brought about the fall of the Customs boundaries which formerly divided them. Economic interests which were formerly merely State-wide became nation-wide. The dissolution of the German, of the Swiss or of the American Federation is out of the question for economic reasons. Economically isolated, Bavaria, or Zurich or Pennsylvania, could not flourish and could scarcely exist.

The fall of their internal Customs boundaries has greatly benefited the nations which became united. The prosperity of

Germany is largely due to the Customs Union of the individual German States, from which the Imperial Union was evolved. But prosperity, which has always followed the fall of internal Customs boundaries, should also ensue to the European peoples upon the fall of the Customs boundaries which at present separate the European nations from each other. A European Federation should have internal Free Trade throughout Europe for a basis, and the British Dominions would, of course, form a part of such a Union, Great Britain being the connecting link.

The Federation of Europe is not merely a matter of European interest. It should be of interest to the Dominions as well. The Dominions are threatened by the same danger which threatens to overwhelm the States of ancient Europe. I have shown that a remedy for the evils from which Europe suffers can be found only in the Federation of the European nations. I have shown that it will be to the interest of the British Dominions that the divisions of Europe be abolished and that the European nations will be firmly united in a Sextuple Alliance, in an Alliance for the promotion of peace, of civilisation and of the welfare of the people.

I have during many years studied the question discussed in the foregoing pages and, being firmly convinced that Europe, and civilisation itself, can be saved only by abolishing the divisions of Europe and by bringing about its unification on a federal basis, have founded the European Unity League. The aim and object of the League should appeal not only to the nations of Europe but also to the British Dominions beyond the seas. At present the Dominions enjoy peace, freedom from militarism, and light taxation. If they rightly value the advantages which nature and accident have bestowed upon them they will, by all means in their power, support the European Unity League and promote its aims. If any of the readers of this Review wish for further information on the objects of the League, and desire to become members, I would invite them to write to me at the headquarters of the League, 39, St. James's Street, Piccadilly, London, S.W. Let me add that membership does not involve any financial or other obligation whatever.

MAX WAECHTER.

GREAT BRITAIN AND AUSTRIA-HUNGARY

By AMICUS.

It may be taken as a propitious sign of the enduring relations between Great Britain and Austria-Hungary, that the long and uninterrupted friendship which has always existed between the Courts of the two nations should have been emphasised and proclaimed to the world by the recent visit of the Archduke Franz Ferdinand, and his wife, to the King and Queen of England.

The venerable Emperor, whose great age prevents him from undertaking long journeys, has throughout his long reign consistently cultivated friendship with England. The Austro-Hungarian monarchy is and always will be a loyal member of the Triple Alliance, just as Great Britain is, and intends to remain a loyal adherent of the Triple Entente. But these facts need not prevent a good understanding between two countries which seem especially to be marked out for mutual good-will, seeing that their political aims are so totally distinct as practically to preclude all danger of collision. The visit of the heir to the Austro-Hungarian throne has proved, if indeed proof were required, that the people of these islands have a strong sympathetic feeling towards the Hapsburg Monarchy, a feeling which is reciprocated by the people of Austria-Hungary towards their Majesties the King and Queen, while the courtesies exchanged between the principal organs of public opinion in the two countries on that occasion have materially assisted in clearing up any misunderstandings that may have existed. During the latest Balkan crisis and afterwards, the leading statesmen of the two monarchies lost no opportunity of emphasising the honourable part played by England and Austria-Hungary in the maintenance of European peace; and as there is no deep-seated animosity on either side to contend against, it is difficult to see why there should not follow a *rapprochement* which might take a still more friendly form without prejudice to the balance of power as maintained by the *Triple Entente* and the Triple Alliance.

A short time ago an article, appearing in a presumably official Vienna newspaper, was freely quoted in the English press. In this article it was suggested that there was nothing to prevent Great Britain and Austria-Hungary from coming to an agreement as to their naval policies in the Mediterranean, by which each should engage, in the event of hostilities, to maintain towards the other a benevolent neutrality. Such a proposition is essentially rational, for the Austro-Hungarian naval policy, often confounded, quite unjustifiably, with the treaty obligations of the Dual Monarchy to her allies, certainly admits of an agreement of this nature, and must even pronounce it desirable. It would, at least, tend to allay the anxiety as to proportional power in the Mediterranean caused in England by every naval grant made in the Austro-Hungarian parliament.

In this connection it is interesting to look back into the past and to see what were the former relations of Great Britain and Austria. Mr. Edward Wertheimer's excellent biography of Count Julius Andrassy gives an excellent survey of a period, which, like that just come to an end, was disturbed by unrest in the Balkan States. When in 1871 Count Andrassy undertook the management of foreign affairs in Vienna, there were already apparent symptoms of that unrest, which led eventually to the occupation of Bosnia and Herzegovina. Lord Granville was then head of the British Foreign Office. The British Ambassador in Vienna was Sir Edward Bulwer Lytton, the Austro-Hungarian representative in London was the quondam Chancellor, Count Beust. Towards the end of 1871 Count Andrassy had a private conversation with the British Ambassador, in the course of which the foreign policy of Austria-Hungary was fully explained, and the Count frankly expressed his opinion that "the main defect in the foreign policy of the Austro-Hungarian Empire during recent years had been a wholly inadequate estimate both of the value and the possibility of the friendship of Great Britain." Nay, more than this, Count Andrassy went so far as to say that it was an error to believe that events on the Continent were of no importance to the British Government since it had adopted a policy of non-intervention.

Count Andrassy could discover nothing in the past conduct of the British Cabinet calculated to justify this false assumption. What he took to be the true explanation was, that Great Britain was not inclined to jeopardise the advantages of her insular position, or to waste the lives of her people in the interests of foreign disputants. Such an attitude, continued Count Andrassy, was perfectly compatible with the free and fearless exercise of moral influence, and with a lively concern for the preservation of peace in Europe. And it might well find expression in a sympathetic

understanding with a sister-power which, like Austria-Hungary, had kindred aspirations, and was also in a position not only to covet the effective good-will of Great Britain, but to reciprocate it. With no other Power, insisted Count Andrassy, could Great Britain so easily enter into friendly relations without exciting the distrust of other Powers. He expressed the hope that the British Government, inspired by the same love of peace as the Austro-Hungarian Monarchy, would share the sincere desire of the latter for friendly relations between the two States. But he avoided the use of the word "alliance," as a term which has been too often applied to international relations of a totally different character. His sole aim and object was a good understanding in the interests of peace.

When Count Andrassy's overtures had been laid before Lord Granville, the English minister wrote to Sir Edward Bulwer Lytton that it was gratifying to hear how justly Count Andrassy "appreciated the efforts and policy of Her Majesty's Government at the present juncture." The English statesman agreed that the chief interest of both States lay in the maintenance of peace, for which, he urged, each should exert itself as far as possible, consistently with honour. He too had no desire for a formal agreement, in view of the difficulties attending such a compact, whether private or public. "Her Majesty's Government therefore declares," wrote Lord Granville in his instructions to the British Ambassador, "that Great Britain and Austria-Hungary, actuated by the same honourable motives, will always approach all questions relating to the future peace of Europe from the same point of view, that the moral effect of such concerted action should be very great, and this not only in the determination of isolated questions; for it will speedily be recognised that the influence of these two Powers will always be exercised conjointly in all questions of peace and war, and of right and wrong."

Lord Granville was always a warm advocate of a cordial and permanent understanding between the two countries. Some years after the above exchange of ideas had taken place, Mr. Gladstone, during his electioneering campaign in Mid-Lothian, made some remarks about Austria-Hungary which caused a natural irritation in Vienna. Whereupon Lord Granville wrote as follows to Count Karolyi, the Austro-Hungarian Ambassador in London: "My dear Karolyi,—When I was in office, and Rodolphe Aponnyi in London (1868–1871), our intercourse was that of two colleagues in the same cabinet. I had perfect confidence in him, and I believe he had the same in me." These friendly relations between the British Foreign Secretary and the Austro-Hungarian Ambassador in London existed from 1868 to 1871, and Lord Granville's reference to his cordial connection

with Count Karolyi's predecessor did not fail to make an impression on the ambassador. Both statesmen exerted themselves to make good the breach, and the incident was cleared up by an open letter from Mr. Gladstone of which the Emperor Franz Joseph remarked, "That is the letter of a gentleman."

The sympathy with England expressed by Count Andrassy at the outset of his ministry did not, indeed, bear immediate fruit. The ministers of the 1874 Conservative Cabinet were at first distrustful of the Austro-Hungarian policy. When the rising of the Balkan Christians and the Bulgarian atrocities brought the Eastern question prominently to the fore again, and when Russia inaugurated an aggressive policy towards Turkey, Count Andrassy soon perceived that Great Britain and Austria-Hungary were bound by identical interest to oppose a territorial advance of Russia in the Balkan States and on the Straits. In connection with this recognition of the situation, attempts were made to bring about a *rapprochement*. These attempts, however, had no immediate result.

The two Governments did not come into closer relations until the outbreak of the Russo-Turkish war. They then combined in a secret declaration, the main points of which may be summarised thus: there was to be no Russian protectorate over the Balkan States, no conclusion of peace without the approval of Europe, no Russian conquest on the right bank of the Drave, no Russian offshoot as a ruler in the Balkans, no Russian occupation of Constantinople, no throwing open of the Straits, and no great Balkan State under the protection of Russia.

Although an agreement had been come to as to the main question, no conclusion was reached as to the tactics to be adopted towards Russia. Count Andrassy had an impression that his policy was not understood in London. And the Austro-Hungarian ambassador in the British capital was, indeed, not the man to interpret his chief's policy aright. He intrigued against his own government, and what Lord Beaconsfield thought of him may be inferred from his remark, that "when Beust has been to see me, I always have the windows opened, to let out all the lies he has been telling me." Meanwhile Count Andrassy was pursuing a temporising policy towards Russia, and it was not until the preliminary peace of San Stefano had been concluded that the negotiations between Austria-Hungary and Great Britain led to definite results. The two Powers then came to an agreement as to their mutual attitude at the Berlin Congress, which was to settle the Balkan dispute. How much the earlier lack of confidence between the leading statesmen of the two countries had been due to prejudice and misunderstanding became apparent when Lord Beaconsfield, Lord Salisbury, and Count

Andrassy learned to know each other personally at Berlin. In a very short time a cordial understanding was established, and bore excellent fruit.

It was the British plenipotentiaries who proposed to the Congress that Austria-Hungary should be empowered to occupy Bosnia and Herzegovina, and also, jointly with Turkey, Sandschak Novibazar.

In the deliberations of June 28th Lord Salisbury was the spokesman. Basing his contention on arguments supplied to him by Count Andrassy, he submitted that the Turks were incapable of keeping order in the two sole provinces of their empire where questions of religion and of property are so closely bound up with each other as in Bosnia and Herzegovina. Only a powerful state, disposing of the necessary forces, could deal with the matter. Neither Servia nor Montenegro should be allowed to fall into the possession of these provinces, for in this event a chain of Slav states might be formed which would be a menace to the other races and endanger their peace. Bosnia and Herzegovina have neither material nor strategic value to the Porte. It would therefore be an act of wise self-knowledge on the part of Turkey, if she were to cede the two provinces voluntarily to her powerful neighbour. Lord Salisbury wound up by saying that on these grounds he would propose that the Congress should vote the occupation and administration of Bosnia and Herzegovina by Austria-Hungary. The proposal was accepted by all the delegates present, with the exception of the Turkish envoys.

The little epilogue that followed on this decision was a peculiarly interesting episode of the Congress. Lord Beaconsfield, whose pro-Turkish sentiments were well known, reproached the Turkish delegates bitterly for their opposition to the decision of the Congress. He went so far as to say that they were circumventing the projects of England, and making it impossible for him to defend the Ottoman Empire against the pretensions of Slavs and Greeks. This incident deserves to be put on record, for it shows better than any other part of the story of British and Austrian relations, how the interests of the two States run parallel in the Near East, and how far-reaching was the co-operation of the two Powers in this important question at the time of the Congress of Berlin.

Count Andrassy had expressed his gratitude to the British statesmen for their help at the Berlin Congress, and he never forgot it. When in August 1879 Bismarck and Count Andrassy met at Gastein, and Bismarck proposed the creation of that "league of peace" between Austria-Hungary and Germany from which the Triple Alliance was finally evolved, Count Andrassy signified his own willingness and that of his Emperor to enter

into the compact formulated by Bismarck. But, he added, Austria, out of consideration for the friendly nation of England, could not enter into any engagement directed against France, though she would join a combination against Russia and any Power associated with Russia.

When Count Andrassy retired from office in 1879, Lord Salisbury wrote him a letter testifying to his sincere esteem and warm friendship, in which he laid stress on the gratitude due to him from the British Government for the confidence and harmony happily existing between the two States. The intimate relations established in 1878 between Great Britain and Austria-Hungary were fully maintained in the eighties, when Russia made a fresh advance in the Balkans. She insisted on the abdication of Prince Alexander of Battenberg, and violently opposed the recognition of the present reigning prince, King Ferdinand of Bulgaria. In this new Bulgarian question Great Britain and Austria-Hungary once more co-operated. The same spirit of political amity inspired Lord Salisbury's cordial acceptance of the Austro-German defensive treaty of 1879. In a public speech* he said :

“I believe that in the strength and independence of Austria lies the best hope of European stability and peace. What has happened within the last four weeks, justifies us in hoping that Austria, when attacked, will not be alone. The newspapers say that a defensive alliance has been established between Germany and Austria. I will not pronounce any opinion as to the accuracy of that information, but I will only say this to you and all who wish the peace of Europe and the independence of nations ; I may say without profanity that it is good tidings of great joy.”

In 1882 Italy, for whom Great Britain also had a sympathy of long standing, joined the alliance, and four years later, the treaty was formally renewed. On this occasion Italy claimed a guarantee for her position in the Mediterranean and for the maintenance of the *status quo* in these waters. As Germany, who is not, and never will be, a Mediterranean Power, could not undertake such a guarantee, it was provided by Great Britain and Austria-Hungary. Since this, Great Britain has supported the Triple Alliance, without committing herself to obligations which would hamper her necessary freedom of action.

These friendly political relations between Great Britain and Austria-Hungary, which had lasted for several decades, and had resulted in their close and active co-operation during the European crises of the period, are in marked contrast to the estrangement that arose out of the Bosnian crisis of 1908-09. The estrangement was certainly brief, and it is now universally admitted that the

* October, 1879.

rigid attitude adopted by the British Government towards the annexation of Bosnia was a mistake. Already it has become an episode of the past. Nothing shows this better than the signal success of the Hungarian Loan recently placed in this country through the instrumentality of Messrs. Rothschild. The ancient good relations between the two countries correspond to their true and enduring needs and interests, and we may congratulate ourselves that they have now been fully restored.

AMICUS.

NEW ZEALAND FARM NOTES

In view of the fact that stock is more valuable than when the New Zealand Stock Act was framed, an Amending Bill has been introduced into the House of Assembly, and is now under the consideration of the Stock Committee. The Bill provides for a payment of £12 instead of £8 to owners as compensation for cattle ordered to be destroyed for health reasons. Another clause permits stockbreeders' associations to register their brands, which may be used on prize stock only, for the purpose of indicating that the stock has, in the opinion of the society, attained such a standard of merit as may be fixed by the society. This brand must be gazetted when granted, a fine of £10 being imposed for false branding.

An example of what can be done in New Zealand under the intensive cultivation methods that are usually thought to be Denmark's almost exclusive prerogative will interest English farmers. A small farmer in the Taranaki district had, a few years ago, some eighty acres of land, no more fertile than the land surrounding him. Recognising the value of intensive farming, he disposed of half his land, retaining less than forty acres, upon which he now maintains a herd of twenty pure-bred Jersey cows, besides pigs, a horse or two, and a few young stock. From these cows he looks for a cash return this year of about £27 per head, or £540, including, of course, his calves and pigs.

An extraordinary case occurred on a New Zealand sheep farm at the last shearing. The owner noticed that one of the rams to be shorn had a strangely swollen face, and was nearly blind. The wool on its back was moving in a peculiar way, and on parting this, the tail of a small animal was discovered. On looking further, a half-grown stoat was found, deeply embedded under the fleece, so that some force had to be used to extricate it. When the animal was shorn next day, it was discovered that the stoat had commenced to eat the wool, and so ill did the ram become that it had to be destroyed.

THE SPECIAL ENTRY OF NAVAL CADETS *

BY SIR J. ALFRED EWING, K.C.B., LL.D., F.R.S.
(*Director of Naval Education.*)

THE decision of the Admiralty to increase the supply of naval officers by admitting as cadets boys who have completed their secondary education, whose age is accordingly about eighteen, is a new departure, and one that brings the supply of officers for the Royal Navy into direct relation with the public schools. Hitherto the naval tradition has been unbroken which has required that officers should enter the Service at so early an age as to owe little or nothing to public school influence and training. Now, for the first time in British history, the Navy says to the public schools, "Send us of your finished product." A scheme for this purpose, known as the scheme of Special Entry, was brought into operation last summer, when a first batch of cadets was taken at an age which admitted of their having got all that a public school has to give.

This is only the opening of a supplementary door. The main entrance for our officers is through Osborne and Dartmouth, under the scheme introduced in 1903 which, after ten years of working, holds the field. There is no question whatever of dropping or in any way seriously modifying that scheme for the entry and training of naval officers. Under it boys are taken at what may be called the earlier break, the customary break in a boy's education when he leaves his preparatory school at the age of a little over thirteen. They then receive in the naval colleges an education which may be regarded as equivalent to a public school education of a somewhat highly specialised type, designed to fit them for their duty as naval officers by laying the necessary foundations of mathematical and scientific knowledge, in addition to giving them a fair general education as English gentlemen.

The need is now recognised of supplementing this source of supply: the Navy makes new demands which were not foreseen, which could not have been foreseen in 1903, when the colleges at

* The substance of this article has formed the material of recent addresses by the author to the Headmasters' Conference and the Incorporated Association of Headmasters.

Osborne and Dartmouth were established. The supply from them is inadequate to meet obvious requirements in the near future. It is not that there is any lack of candidates for admission to Osborne: on the contrary, far more boys are offered than we can take. The limitation in our numbers arises merely from the limited capacity of the colleges. That cannot immediately be remedied, in consequence of the fact that eight or nine years pass from the time of entry to Osborne till the officer is fully equipped for a lieutenant's commission. Steps are indeed now being taken to enlarge the naval colleges, but the effect will not be felt for years to come, not soon enough to meet the immediately prospective shortage, and it is necessary, therefore, to resort to some quicker mode of augmenting the lieutenants' list. That, briefly, is why the Admiralty now invites boys to enter at a later age—boys who represent the finished product of the public schools or of other agencies in the work of national Secondary Education.

I wish to make it quite plain that the invitation is not restricted to what are generally known as the public schools. The phrase "public school" is elastic: it may be interpreted in a narrow sense or a wide one. In this matter there is no limitation to the narrow sense or even to the wide sense. The phrase used throughout in all the official papers is "the public schools and elsewhere," a phrase which is as elastic as could possibly be desired. Candidates may have received their education in any manner. I would like to emphasise this in order to remove apprehensions which have arisen in some quarters. What we are concerned about is that the boys should be educated, and we secure that by the simple device of admitting them by competitive examination. We appeal, therefore, for co-operation in securing suitable candidates, not only to the great public schools, not only to the wider body comprised in the Incorporated Association of Headmasters, but to educational agencies beyond these borders. It is interesting in this connection to notice that in the first entry, which took place last autumn, there were boys from day schools as well as from boarding schools, from all parts of the United Kingdom, and from the most distant of the Dominions.

After admission the boys have a short period of training in professional subjects only. The desire of the Admiralty is that these cadets should ultimately be on the same footing with those who come in by way of Osborne and Dartmouth, that they should in fact be as far as possible indistinguishable. The Osborne and Dartmouth training has certain characteristics which it would take too long to discuss, but there is one of them which it is relevant to our immediate purpose to mention. The education given in the naval colleges has a very pronounced bias towards mathematics, physical science and practical mechanics. It is

essential for naval purposes that the education of officers should be largely on those lines, not only because they have to navigate ships, but because they have to handle intelligently and direct the handling of the thousand mechanical contrivances of which a warship and its fighting appliances consist. Every naval officer should be an engineer in the sense of being a person whose mind has been trained to deal with mechanical problems, who can think and speak in the terms of practical mechanics.

In turning to outside schools for educated boys we cannot in general expect that they will come to us with a grounding in these subjects equal to that which we ourselves provide in the Osborne and Dartmouth training. Nor can we expect that the products of various schools will be on an equality with one another in this respect, nor again can we expect, in view of the comparatively small numbers which we take, that the schools will in any way attempt to specialise in their curriculum with a view to meeting the particular requirements of the Admiralty. But we can choose those boys who have special aptitude for mathematics, science, and practical mechanics; we can choose boys who, without neglecting their general education, have used in the fullest way such facilities as schools offer them in these subjects. Let me make it clear, to avoid a possible misunderstanding, that we are not asking for these candidates with the object of turning them into naval engineers. In point of fact it is probable that of the boys who enter in this way a smaller proportion will ultimately join the engineering branch of the service than of those who go through Osborne and Dartmouth, because their previous training has not been so suitable for the purpose. I daresay some will, but none will unless they choose to do it—there is absolutely no compulsion in the matter.

In arranging for the competitive entry of these cadets, the Admiralty found that there was an examination ready to hand, in many respects well fitted for the purpose, namely the examination by which boys are selected for entry to Woolwich. This is also an examination with the working of which many of the leading public and other schools are familiar. So we have framed an examination which takes the same subjects, and is in fact carried out by means of the same papers and by the same examining agency, the Civil Service Commission. The Admiralty has secured the co-operation in this matter of the War Office, with the result that a candidate may present himself at the same time for both Woolwich and the Navy, or for the various other alternatives that are associated with the Woolwich examination. He must indicate beforehand his preference, such as that if he does not get a certain position in the list for Woolwich he will go into the Navy, and so on. The War Office has met us in a very

friendly spirit, realising that we are not rivals, but that the services are in effect making a common claim.

The candidates who present themselves come up first for interview at the Admiralty, for the purpose of eliminating some few who are obviously unsuitable on personal grounds, but the great majority of those who apply are admitted to the competitive examination. It takes place in these subjects, which are of equal value:— English, English History and Geography, one language, namely French or German or Latin, Mathematics in three sections all of the same value (elementary, intermediate, and advanced), Science, and then finally a paper that we have introduced which was not in the Woolwich group, a paper of questions in very elementary engineering. That paper is intended to test not so much the training of the boy, because we do not expect as a rule to get candidates who have had any systematic engineering training, as his bent for engineering and his aptitude for doing in a more practical way the mechanics which takes a somewhat academic form in the mathematical examination.

Last year, when the first special entry took place, rather over forty boys were accepted as cadets and commenced their training on board a cruiser at Devonport, where they are now. The idea is to bring them at once into touch with the sea and with conditions of naval life, and their training includes only subjects of direct professional importance, namely, navigation, pilotage, seamanship, naval signalling, gunnery, torpedo, engineering. It may be added that these cadets, some of whom came from the great public schools and others from different sources, have entered on their professional studies with much zest, and the training is proceeding in a manner which, so far as can be judged, is entirely satisfactory.

This year it is proposed to take about sixty boys in the same way. The entry takes place once a year, the limits of age are $17\frac{1}{2}$ to $18\frac{1}{2}$ on the 1st of June in the year of entry. The names of candidates have to be received at the Admiralty by the end of March. No nomination is required: every applicant is considered on his merits. The scheme has been described as a temporary measure: the Admiralty is in any case committed to continuing it during the years 1914, 1915, and 1916.

It may perhaps be well to give a few particulars as to the cost of this training—the cost to the parent, not to the State, which is quite another story. From the time he enters under this system the cadet begins to receive naval pay at the rate of 1s. a day, and after eighteen months of training, when he becomes a midshipman, this is raised to 1s. 9d. In about $2\frac{1}{2}$ years from the time of becoming a midshipman, he becomes a sub-lieutenant, when his pay increases to 5s. a day, a sum which I believe is sufficient to meet his messing and other indispensable charges, but which no

doubt requires some supplement from his parents in order to make his life tolerable. During the time he is a cadet and a midshipman his father is required to contribute £50 a year. When he passes from sub-lieutenant to lieutenant, which will happen within two years, and may happen within one year if he does well, his pay rises to 10s. a day and from that time onwards he is able to stand on his own feet. As lieutenant his pay increases from 10s. to 16s. a day, but that is not the measure of his emoluments, for he may receive appointments entitling him to additional allowances such as command money, or again he may specialise and receive extra pay as a specialist. There are various ways set forth in the Navy List by which a lieutenant can very materially supplement his pay.

These facts are perhaps worth mentioning if only to show that the Navy is a poor man's service. It is not a service in which great pecuniary rewards are to be obtained. At the same time it is a service in which it is not at all essential that the officer should be possessed of private means; and the future is reasonably secure—more secure, I venture to say, than it is in many professions. If the officer has the misfortune not to be promoted to commander, a misfortune which many of his brother officers share, he is liable to retire at the age of forty-five, but it is with retired pay depending on his length of service up to a maximum of £300 a year, so that he is certain at least of a living wage. If he proceeds to commander but is not selected for promotion to captain, he is liable to retire at fifty with retired pay up to a maximum of £400 a year. These are the two decisive epochs in the promotion of the naval officer, when it occurs by selection. After that his promotion goes on automatically by seniority according to the occurrence of vacancies in the higher ranks.

I have said that an officer can live on his pay: standards of expenditure in the Navy are low, and the small income does not debar him from enjoying social amenities. But the Navy makes no appeal to those who measure success in a profession by the income it brings. It attracts rather by offering a career of honourable service second to none in national importance, a career which in some cases leads to high distinction. It provides occupation of engrossing interest and stimulating variety. And for all who enter it there is a life of duty and effort, governed by lofty traditions, and calling for the exercise of a man's best powers.

It would be going beyond the present purpose if I were to attempt an estimate of the young officer's chances of promotion. Not every lieutenant becomes an admiral: in the Navy, as in other professions, the race is to the swift, and though there are substantial prizes there are many comparative blanks. The fleet requires the services of more young officers by far than can

possibly obtain positions in the higher ranks. I doubt whether this applies to the Navy with any greater force than it does to other professions. Not every assistant master becomes the head of a great school. Not every curate becomes a bishop. Not every barrister becomes a judge. In all professions there is material for disappointment as well as for hope, and there is undoubtedly an element of luck. There is something, as any successful man knows, in learning how and when to grasp the skirts of happy chance, a form of petticoat influence which is entirely legitimate. But it would be difficult to point to any profession where, more than in the Navy, an honest effort is made to select for promotion the men who show real merit, or where the selection is governed more completely by considerations of what are the best interests of the service.

A Scottish newspaper commenting the other day on this new departure remarked on the fact that there is a comparatively small Scottish element in the Navy. And the writer ascribes this, I think rightly, to the distance of Scotland from naval centres, and to what we may call the invisibility of the fleet to Scottish eyes. Well, circumstances are altering that. The strategical centre tends to shift towards the north: warships are now a familiar sight in Scottish waters, and naval bases are being established on the Scottish coasts. The writer notes that, but goes on to say that this opening of a new door into the officers' ranks of the Navy will do nothing to remedy what he complains of, because the entry is through English public schools, whereas most Scottish boys of the likely sort go to secondary day schools for their education. Being myself a product of the Scottish day school, I should be sorry if it fell to me to administer a system that would shut the door against such products. But it is not so. Of the candidates taken last summer, at least three came from Scottish day schools. One case I particularly remember: it was that of a boy who had attended a secondary day school in Glasgow, but had left it at the age of sixteen to go as apprentice into engineering works, where he supplemented such education as he had received prior to sixteen by attending evening classes. This boy was admitted to compete, passed with credit, and is under training in the "Highflyer" with the other cadets.

The appeal which the Navy now makes to the youth of the country is conceived in no narrow spirit; it offers a new opening for cultivated brains, no matter where or how the process of cultivation has been carried out. And the opening is one of much promise for those who, in addition to a cultivated brain, have qualities of resolution and zeal, and the personal force which secures leadership of men.

J. A. EWING.

THE ULSTER POINT OF VIEW

By FREDERICK J. HIGGINBOTTOM.

IN the dust of the controversy that is now being waged over the critical stage of the Government of Ireland Bill there is a danger that the real issue as between the Nationalists and the Protestant Unionists in Ireland will be obscured by the tendency to summarise the points of difference in curt phrases.

The Two Irelands of the present controversy, for instance, are not represented respectively by the province of Ulster and a combination of the other three provinces, although the position is commonly so regarded, and, for the convenience of party tactics, it is a definition that is condoned. But in reality the cause that is being fought by the Unionist party in Parliament is hampered by no such geographical limitation; it is the cause of all Protestant Unionist Ireland, and it must continue to be identified in this sense to the end, whether the result be the defeat of the present scheme or a modification of it. The reason why the appeal to the conscience of Great Britain is being made in the name of Ulster is because Ulster is typical of the Unionist cause in Ireland; but it is not all of the Unionist interest in Ireland. It has been convenient to the leaders of the Unionist party to merge the interests of the scattered colonies of Protestant Unionists in the three southern provinces in the cause of Ulster, because of the impossibility of centring such diffused interests and of fixing public interest upon them. So the interest and the energy of the party have gradually been enlisted for a cause which has come to be tersely expressed in one word. "Ulster," therefore, figures in the public imagination at this moment as the cause to which the Unionist party at large has bound itself, and Ulster, to the popular understanding, means the Protestant population of the province.

While this classification and separation of the Irish Unionist cause, therefore, is illusory, and may even be calculated to injure the interests of the Protestants of the southern provinces, it is not practicable in the present controversy to prescribe a more

satisfactory method of nomenclature. The resistance to the Home Rule Bill as a whole has drifted into a smaller channel, as being more easily navigable than the broad stream down which the Unionist Party were being hurried to the Niagara of the Parliament Act. Offensive as it is to a strict estimate of the situation, and unjust to a section of the Irish Unionist population that bulks hundreds of thousands in the aggregate, the style of "Ulster" cannot be bettered as the expression of the Unionist cause in Ireland. It is recognised by political leaders, as it is by newspaper editors, that simplicity is essential to an appeal to the popular imagination, and there is an immense superiority in a single word over a phrase containing a dozen.

It is perhaps as well. If the Ulster Protestants are successful in bringing their campaign of resistance to a successful conclusion, the effect of their success must be reflected in the better treatment of their co-religionists in other parts of the country. If the application of Home Rule to Ulster is suspended under a time limit, there will be every reason why a Dublin Parliament should in the meantime be particularly conciliatory towards the Protestants of the other three provinces. The Ulster case is a thing by itself, but it is one that must have a determinant effect upon the cause of Southern Unionists, and in that sense it may safely stand for the whole Irish Unionist cause.

When I say that the Ulster case is unique, I must claim for it a virtue that is not generally applied to it. There is too much tendency in Great Britain to look upon the resistance to Home Rule in Ulster as a mere ebullition of discontent, bigotry or sheer disgruntledness on the part of a Protestant ascendancy that is threatened with supersession by a Roman Catholic majority outside the province. There is very much more in it than that. It is not alone the Solemn League and Covenant that binds Unionist Ulster together in an indissoluble compact for the maintenance of their present rights and privileges, civil and religious. The bond of a common cause goes far back, to the time of the Plantation, in fact. And here it is that the Covenanters of to-day have their example and their inspiration. It was only a week or two ago that a Scottish Liberal member tried to score off the Ulster Unionist members in the House of Commons by chaffing them for having stolen the idea of their combination from the Scottish Covenant. "*Our* Covenant, if you please," retorted Mr. John Gordon, the member for South Londonderry—and a moment's reflection convinced the scoffer that a man with such a name had made an unanswerable retort; and he was silenced. This is the fact that is forgotten: that the forbears of the Covenanters of Ulster are many of them the immediate descendants of the men who resisted Claverhouse and the Georgian military

oppression of the Lowlanders. It is also forgotten that it was England who opened Ulster to the Scotsmen and the Englishman who were enterprising enough to accept the invitation to colonise a devastated province, and to restore by peaceful means prosperity and an ordered system of government to a land which had been reduced by conquest of British arms. The settlers of the Plantation came into a new country; their mission was an Imperial one—that of re-peopling with loyal subjects a land which had been won from an insubordinate race. They entered upon it with zeal, and they reared a prosperous and industrious community, which gradually overcame and dominated the semi-savage and indolent aborigines. It is just three hundred years since the Plantation towns of Londonderry, Enniskillen and Coleraine were created by grants and charters to adventurous settlers, and the history of these and later settlements, including those made by Covenanters who fled from Scotland, is synonymous with the growth of British prestige and prosperity throughout the intervening centuries. At no time in the history of the past three hundred years have the Protestants of Ulster been found wanting when an appeal to their loyalty and devotion to the Crown was made. The Ulster Volunteers of 1783 were on the side of the Crown as the Ulster Volunteers of to-day are. The only disloyal movement emanating from Ulster in all that time was the rising of the United Irishmen in 1798, and they were put down by the loyal yeomanry of the province. At no time of crisis has the Imperial Government called to Ulster in vain for men or money, and the flower of her manhood has been cheerfully given to the aid of England in every military emergency. Out of water-logged marsh and slobland, from stony plain and barren mountain-side, the patient toil and ingenuity of these British settlers have won sustenance and even wealth for themselves and for half-a-million of the aboriginal inhabitants—who were tolerated and not oppressed by the new owners of the soil, but prospered and multiplied under the care and benevolence of the victors. Ulster to-day is the garden and the hive of Ireland.

This is the heritage that Ulstermen—the dominant Protestant race of them—have created for themselves; and what wonder is it they regard it as a sacred trust—something to fight for and defend to the last, rather than surrender to those who are identified with the hostile race and influences against which they have battled for a dozen generations? Their zeal for such a cause is no bigotry. What Protestant Ulster has created and won for Ulster is her own, and she means to hold it for herself and for the British Crown to which she owns such fervid allegiance. Englishmen should be the last to blame Ulster Protestants for their consistency. England placed their ancestors in

Ulster, and it is the obvious duty of England to preserve to them the precious heritage to which they cling. To talk of bigotry and ascendancy in such a case is a mockery of terms. The ambition of Ulster Protestants has never been to oppress their Roman Catholic fellow countrymen, who have been admitted into co-operation with them in so far as has been practicable, and have not been discriminated against by any acts for which the Ulster Protestants have been separately responsible. If there is religious intolerance in Ulster to-day, it is sporadic, and it is to be found among the Roman Catholics more than among Protestants.

The reorganisation of the ancient Order of Hibernians, once a harmless friendly society and now a propagandist body for the promotion of specifically Roman Catholic interests, has changed the passive jealousy with which the Romans viewed the Protestant prosperity to an active and powerful agency that works underground and with success, and to-day the boycott against Protestants is more vigorous in parts of Ulster, especially in the border towns, than ever the penalisation of Catholics was in the days of the Pale. Take Londonderry, the outpost of the Protestants in the North-west. How many Catholic merchants of that city employ Protestants? The question has frequently been asked, and never been satisfied by the Catholics, for it cannot be answered with credit to themselves. The Protestants, on the other hand, freely employ Catholics, even in places of trust, and in spite of great discouragement; but there is hardly an instance of the employment by the Catholic traders of a Protestant. The very tolerance of the Protestants of Derry has been their political undoing. In the days of Protestant exclusiveness the Catholics were kept outside the city and confined to its liberties; but gradually the restrictions were relaxed, and, as the Catholics constituted the bulk of the poorer classes, and multiplied at a greater rate than the Protestants, on being admitted within the city walls, they gradually outnumbered the Protestants, with the result that they now hold the Parliamentary representation of the city through a Presbyterian nominee. This is the price the Protestants have paid for their tolerance. The same thing has happened at Enniskillen, another plantation town in which the Protestants have within recent times relaxed their exclusive rules, with the result that the municipal representation of the town has within the last few weeks passed for the first time into the hands of a Catholic majority. Where do the Roman Catholics respond when they have the upper hand? Nowhere in Ulster. In Catholic Cavan, which has a strong Protestant majority, Protestants are rigidly excluded from local bodies in every electoral area where Catholics are in a majority. There is, in fact, no case for

the allegations of bigotry against the Protestants of Ulster even in Belfast.

There is unquestionably a religious bias to the Solemn League and Covenant into which the Protestant population of Ulster, with a fractional exception, has entered in defence of their civil and religious heritage. It could hardly be otherwise. The number of Roman Catholics in Ulster who are ranked as Unionists is very small, though there are some notable men in the Tory minority, and the Covenanters are the descendants of Protestant settlers of the Plantation. But the significant thing is that all sects in Protestantism are united in this mighty movement. From the day of the inception of the Covenant, less than eighteen months ago, the Church and Dissent have not been distinguishable in the hundreds of thousands who have flocked to sign this definite undertaking to stand by their rights; and in every parade in Sir Edward Carson's two tours through the province the clergy of the Church marched with their people side by side with ministers of the Presbyterian and the Methodist bodies. A similar absence of sectarian difference characterises the recruiting for the Ulster Volunteer Army. All denominations are represented in the ranks, as well as all classes, and of all ages.

The Covenant governs the position of the Ulster question. These are its terms:

BEING convinced in our consciences that Home Rule would be disastrous to the material well-being of Ulster, as well as of the whole of Ireland, subversive of our civil and religious freedom, destructive of our citizenship, and perilous to the unity of the Empire, we, whose names are underwritten, men of Ulster, loyal subjects of His Gracious Majesty King George V., humbly relying on the God whom our fathers in days of stress and trial confidently trusted, do hereby pledge ourselves in solemn Covenant throughout this, our time of threatened calamity, to stand by one another in defending for ourselves and our children our cherished position of equal citizenship in the United Kingdom, and in using all means which may be found necessary to defeat the present conspiracy to set up a Home Rule Parliament in Ireland. ¶ And, in the event of such a Parliament being forced upon us, we further solemnly and mutually pledge ourselves to refuse to recognise its authority. ¶ In sure confidence that God will defend the right, we hereto subscribe our names. ¶ And, further we individually declare that we have not already signed this Covenant.

The above was signed by me at

"Ulster Day," Saturday, 28th September, 1912.

GOD SAVE THE KING.

Its application is not restricted. It covers the whole province of Ulster, and is not confined to the four north-eastern counties or any other arbitrary delimitation. This is what makes the Ulster question so serious; the Covenant precludes consideration of any temporising schemes of "Home Rule within Home Rule,"

or a truncated local autonomy for the province or some part of it.

The Covenanters have made it clear that their compact with each other extends no further than their own province, but it is a sacred sentiment with them that it *shall* apply to the whole province. Ulster is to them the whole nine counties, and not merely four or six of them. The problem that the Government have to deal with is entirely defined by the Covenant, from which there can be no deviation on the part of its signatories. Either the province must be dealt with as a whole or not at all. If it is excluded from the operation of the Government of Ireland Bill it must all be excluded; if the Government insist on passing this Bill unamended under the Parliament Act the whole province must be absorbed. No Covenanter will tolerate the mutilation of their compact or their province, and if by any act of political expediency it were to be departed from by the leaders of the Covenanters a new situation would be created in Ulster which would be far more difficult to deal with than the present organised and controlled movement. The Covenanters are masters of the situation, and they are fully conscious of their strength. That is why it is so futile to talk of safeguards and guarantees to them. They want none. They are determined to defend themselves from any actual or apprehended oppression by the simple plan of contracting out of any Home Rule scheme whatever. This is no sudden decision or evanescent sentiment. It has taken three hundred years to mature, and will take another hundred years to dissipate, even if a Dublin Parliament commenced at once to, in the words of Sir Edward Carson, woo and win the Northern province.

The case of the Southern Unionists is not altogether hopeless, even with this outlook, for the position that confronts the Government just now is so difficult of adjustment that any proposals for settlement must of necessity be so liberal to the Unionists of the whole country as to enable Lord Lansdowne, Mr. Bonar Law and Sir Edward Carson to redeem honourably their pledge to stand by the Southerners. There are signs that, even yet, an appeal to the country will be the only way out of the difficulty into which Mr. Asquith has drifted. A settlement by consent in the present temper of parties is remote—indeed impossible. It would almost follow, therefore, that any solution of the problem must be temporary; and the exclusion of Ulster as a whole, with a time limit in which to exercise an option to come in or be dealt with under a general plan of Federation for the whole kingdom, is the line of least resistance for the Government if they mean to carry their Bill without a previous General Election.

Exclusion, from any standpoint, is not an ideal solution, and it would only be tolerated by Unionists in England on the understanding that a federal scheme should be evolved before the divorce of Ulster from the southern provinces became absolute. What is doubtful is whether the Government are in a position to give such a pledge as a justification for pressing through their Bill. The policy of Home Rule for all Ireland first and Federation for the United Kingdom at some indefinite time in the future does not fit in with an Exclusion-cum-Federation solution, although this would be the easiest way of avoiding strife—at any rate for a time.

While, therefore, Ulstermen are anxiously looking for a movement towards a franker acceptance of their point of view, they are calm in the conviction that time and British public opinion are on their side. They feel that no Englishman or Scotsman who is proud of his own heritage of civil and religious freedom can reasonably reproach them for striving to keep out of the seething-pot of a Dublin Parliament, or for taking the precautions that brave men naturally take to defend their civil and religious liberties from possible oppression. Ulster's appeal is from patriotism to patriotism, and such an appeal has never before been made in vain to Englishmen.

FREDERICK J. HIGGINBOTTOM.

OUR FOREIGN NOTE-BOOK

By DIPLOMATIST

THE NEAR AND MIDDLE EAST

ALTHOUGH in an outward and visible sense there may be little to relate that is new, in the inner world of diplomacy much has happened during the month now closing, and perhaps I shall not be accused of betraying any official secret if I say that within a comparatively short period the world may expect to see an output of documents from the Chancelleries of Europe, the like of which has not manifested itself for many a long year.

Among these documents will be a treaty between this country and France and a treaty between Germany and France dealing with affairs affecting the interests of all three countries. This is a step in the right direction; it not only brings France and ourselves closer together, but it brings France closer to Germany and, naturally, Germany closer to us. Such an arrangement would seem to go far towards the fulfilment of the hope so often expressed in these pages that just as now we have an *entente cordiale* with France, so in the near future we may also have an *entente cordiale* with Germany.

For some time past the Great Powers have been engaged in negotiations connected with the Middle East with a view of settling certain political and economic difficulties that unless composed, and composed on a permanent basis, must seriously handicap the reorganisation of Asiatic Turkey. These negotiations are nearing the end, and while it would be incorrect to say that everything is smooth water, there is good reason to hope that differences of opinion will be overcome and matters so arranged as to meet with the approval of all parties concerned. The chief object the Powers have in view, as far as Turkey is concerned, is to see that the Porte is placed in a position to carry out its obligations, and in this respect much depends on Germany and Russia. One is glad, therefore, to be able to record that a complete programme of administrative reforms in Asiatic Turkey

has been agreed upon between the Ottoman Government and the representatives of Germany and Russia in Constantinople. Similarly Turkey, France and Germany have come to a common understanding on the same issue. That Russia, Germany and France are working together is a very happy omen, showing as it does that any feeling of antagonism that may have arisen between these three Powers during the Balkan War, if it has not disappeared, has considerably modified. Indeed, everything points to a general agreement so far as Asiatic Turkey is concerned. That each Power will expect a share of the spoils goes without saying. But commercial rivalry hurts no nation, and in this case it will lead to the opening up of a region that has too long awaited the benefits of a higher civilisation.

Turning to the King's Speech at the opening of Parliament, we find further confirmation of the satisfactory condition of this country's relations with foreign Powers. The first item in the Speech has reference to the approaching visit of the King and Queen to the President of the French Republic, a visit which their Majesties are looking forward to with the greatest interest and satisfaction. It is understood that Sir Edward Grey has intimated a wish to accompany their Majesties, and he will therefore, it is presumed, take the place of the Permanent Secretary. The French arrangements follow very much the lines laid down on the occasion of King Edward's visit, and include a military review at Vincennes and a State dinner at the Elysée. As King George points out, the visit will afford him an opportunity of testifying to the cordial relations which exist between the two countries. There can be no doubt as years pass by that both peoples are getting to understand the true inwardness of King Edward's happy phrase, "Divine Providence has designed that France should be our near neighbour and I hope always our dear friend."

The second paragraph in the Speech refers to consultations that have taken place between this country and other Powers respecting the settlement of Albania and of the Ægean Islands with a view of giving effect to resolutions adopted by the Powers during the Conference held with Ambassadors in London last year, and expresses the hope entertained by His Majesty that these consultations will contribute to the maintenance of peace in south-eastern Europe. On former occasions I have commented at length on these discussions, and little now remains to be said, except perhaps to emphasise what I firmly believe, that a settlement will be arrived at as to both these questions on the lines indicated in the resolutions themselves. It is true that the British Note intimated that should Greece

and Turkey decline to accept the decision of the Powers collective action would be taken. It is also true that opinions are divided in the Concert as to whether it would be wise, or even possible, to resort to force. But for myself I foresee the passing of all these clouds. The Powers have acted together so long and overcome so many obstacles that it is hardly likely at the last moment they will fall out by the way. And if they hold together both Turkey and Greece must come into line.

Passing to the measures adopted by the International Commission of Control in Albania for establishing order and security, the King does not fail to mention the appointment of a new Ruler under whose guidance His Majesty trusts progress will be made towards the institution of an efficient and stable administration in that country. The acceptance by all the Powers of Prince William of Wied as the Ruler-Elect of Albania shows the unanimity that exists, both as regards the man and his duties. Concerning the Prince himself, he has made an excellent impression in London, Berlin, Vienna and Rome. Visiting all four capitals within a fortnight his period of stay was necessarily limited, but he did a great deal in a short space of time, and he will enter upon his new life well versed in the views entertained at the various chancelleries regarding the future of Albania. In London he was given a specially cordial reception. Not only did King George mark his appreciation by bestowing on the Prince the Grand Cross of the Victorian Order, but the British Government assured him of their warm support in the difficult task that lies before him. It is also satisfactory to note that the Prince is full of hope, which is more than half-way to success. Both in demeanour and temperament he seems to possess every qualification required to overcome the obstacles that will face him at almost every turn, and while he is not himself blind to the rocks ahead, he assumes his new position with a determination to do his best, and carries with him the hearty good wishes of all who desire to see union in Albania and peace in the Balkans. No one can deny that the throne of the new Albania is hedged around with thorns, not the least being the religious questions and racial sentiments that divide the north from the south. In a way there is an Irish question in Albania, but one may be allowed to hope that the fears expressed as to the difficulties attending closer union between the two peoples will vanish on the arrival in the country of Prince William of Wied.

The King also made mention of negotiations between this country and the German Government and this country and the Ottoman Government as regards matters of importance to the commercial and industrial interests of the United Kingdom in

Mesopotamia. These negotiations, His Majesty pointed out, are rapidly approaching a satisfactory issue, while questions long pending with the Turkish Empire in respect to regions bordering on the Persian Gulf are in a fair way towards an amicable settlement. Amongst these questions is doubtless that of the Baghdad Railway, and it is satisfactory to know, after many years of difference, that there has been found a solution which commends itself alike to Great Britain, Germany and Turkey. The removal of the political and economic difficulties that have arisen between this country and Germany in the Middle East is a subject of mutual congratulation, and when it is remembered that other matters outstanding between ourselves and Germany are likely to be settled on the same amicable and lasting basis, the way seems paved for a *rapprochement* between the two nations. Already there are signs of a great awakening in the minds of British and German statesmen that things have not been as they ought to be, that the past should be forgotten, that henceforward the two nationalities should march onward together along the lines of peace and progress.

BRITISH AND GERMAN TRADE

This, in fact, was the text of the German Ambassador's interesting and instructive speech at the dinner given in his honour by the London Chamber of Commerce. Dealing with the historic side of his subject, trade between this country and Germany, His Excellency aptly reminded a distinguished and representative audience of commercial men that the development of the early German trade with London was due to those pioneers in commerce who came hither from the Hanseatic towns, the first to arrive being those from Cologne, followed shortly by others from Lübeck and Hamburg. Established here in London with special privileges granted by Henry III. and confirmed by his successor, Prince Lichnowsky struck the right note when he said, "Their property was only finally disposed of possibly within the memory of some of those now present, for the land and buildings still owned by the towns of Hamburg, Lübeck and Bremen were sold to the South-Eastern Railway in 1852, and Cannon Street Station now marks the site."

These old Hanseatic traders, he continued, were supplanted by the Merchant-Adventurers of the Tudor days, and now it is no longer a question of privileges or supplanting but of co-operation and common effort, for it is recognised that commerce is not an end in itself but the means of promoting the welfare of peoples.

“The famous old steelyard by the riverside near what is now Iron Bridge Wharf and the beautiful Guildhall in Thames Street with its pictures by Holbein are, it is true, all gone, but the commerce with the Hanse towns and with the whole of Germany remains and increases year by year. The extent of the direct shipping trade between London and Germany would probably surprise most people. Looking at the broad Thames, with its splendid vessels bound for all parts of the world, I do not think it would occur to them that 12½ per cent. in number and 9 per cent. in tonnage have German ports for their destination. And besides this direct trade there is the trade with Western Germany which reaches you to a large extent through the Dutch and Belgian ports, and causes some odd statistics. Thus the wines of the Rhine and Moselle passing through Rotterdam make it appear in official returns that Holland exports wine. There is, of course, direct communication and trade between Germany and other British ports, but the vast bulk of the traffic passes through London. The commerce of the City of London with Germany is by no means limited to what I have mentioned. London houses are interested in a large volume of business consisting of consignments which go direct from the place of production, or other centres of trade, to Germany. And I need hardly remind you that, owing to the enormous financial power concentrated in the City of London, a large number of the consignments for Germany are financed, or at least paid for, in London, and that payment for many German exports to other countries is also made here. London trade and banking, in one way and another, benefits by a very large section of the German export and import trade.”

“In the same way Germany receives the bulk of her imports of British products from London, as well as large consignments of foreign and colonial produce. As regards the latter, London remains a centre of distribution of the greatest importance. Here German buyers have to come for furs, colonial wool and similar products.”

“Convinced as I am that commerce is to the mutual advantage of both parties concerned, I rejoice in the fact that the trade between England and Germany is always increasing, and it is equally a matter of satisfaction to me that the council and members of the London Chamber of Commerce, appreciating the importance of British commercial relations with Germany, have established an Anglo-German section. Germany is, in fact, the best European customer of the United Kingdom, and if we take those articles only which are the produce or manufacture of the United Kingdom, Germany is the best customer you have in the whole world. It is only when you include the re-exports of

foreign and colonial merchandise that Germany ranks behind the United States. Germany is also a better customer to you than any British colony or possession, with the single exception of India, which, in 1912, took combined exports and re-exports to the extent of some few hundred thousand pounds sterling more than did Germany. From 1902 to 1912 the exports from the United Kingdom to Germany advanced to the extent of 80 per cent., while those of all other countries combined have only increased to the extent of 71 per cent. On the other hand, the United Kingdom has become Germany's best customer, and takes somewhat even more than the neighbouring State of Austria-Hungary. According to German statistics Germany purchases from the British Empire merchandise to the value of ninety-eight million pounds sterling per annum, while the British Empire buys from Germany to the value of only seventy-four million pounds sterling.

"German industry is not so highly specialised as is the British. Coming later into the field we had, to a large extent, to gather up what others had left, and to engage in the manufacture of small articles that had not seemed worth the attention of others. And so it comes about that Germany is engaged in numberless manufactures, and, in fact, appears to be making nearly everything, with the result that you see the words 'made in Germany' on many small articles which pass through your hands. I trust this does not cause you concern. British manufacturers have been able to restrict their attention to a comparatively limited number of great industries in which Great Britain so admirably holds its own, and Germany is now, as before, dependent on the importation of certain British goods. Thus each nation helps the other, and commerce brings mutual advantages and gives rise to common interests which in their turn foster good understanding and friendship."

The loud and prolonged cheers which greeted the Ambassador when he resumed his seat must have convinced him of the deep impression his words had made. Happy in phraseology and with a pleasing delivery His Excellency's speech was in every way worthy of the occasion. Especially interested were his hearers in the figures of Germany's trade with Great Britain and this country's trade with Germany, figures that cannot too often be quoted. For just as the two countries are one another's best customers, so the two peoples must be the best and closest of friends.

The founding of the "Association for World Trade," under the auspices of Herr Ballin, marks another chapter in the advance of commercial societies in Germany, and shows how that country

is going ahead in matters of trade. How these associations compare with the older associations of this country I cannot say, but there is no doubt that Germany sees the importance of conquering fresh markets as well as of keeping those she has already secured. Unfortunately England is too apathetic in such matters. She thinks the ball is at her feet, whereas it is fast rolling into the lap of her commercial rival. All praise and honour to Germany, but what about England. Are we to be left behind in the race for markets merely because we have no statesmen who will give a thought to the subject? The other day Sir Edward Grey gave a sort of after-dinner lecture at Manchester, in the course of which he extolled the work of British consuls abroad. He did not, however, relate that until recently many of our consuls were foreigners, that not so long ago British traders experienced considerable difficulty in getting assistance from British consuls, and that as to the pushing of British goods in the markets of the State to which he was accredited, that was a matter long regarded as being outside the duties of any British consul.

On the problem of the preservation of peace Sir Edward Grey offered sounder observations, and his remarks on armaments were to the point. To interfere with the domestic concerns of other countries is outside the business of any Government, not being the Government of the country directly interested. It is not, he said, that we feel the financial strain more than others, "on the contrary we feel it least." No country desires to spend money on armaments for the mere sake of the expenditure, but taking human nature as it is you will never persuade a Great Power to lessen its expenditure on its navy and on its army simply by lowering your own expenditure. Not since the Franco-German war has the German nation unsheathed the sword, yet Germany is always prepared, and by this means, and this means alone, she has been able to do what she has done—keep the peace of Europe. A nation well armed is able to defend itself from attack, a nation unarmed is the ready prey of marauders. That is the position the Little Englanders would like to see their own country in. Fortunately for us Sir Edward Grey does not believe in their creed.

As we go to press the old story of French aggression in the New Hebrides is revived, with the addition that France is thinking of annexing the islands. Unless negotiations are going on to this end, the suggestion is of course impossible. All the same, there is little doubt that chaos reigns in the islands, and that the fault lies with the French settlers, who pay little or no attention to treaty obligations. In fact, the French reading of the arrangement with this country is quite different to the

British reading, and that is where the difficulty arises. The British administrators say to their people, so-and-so is against the law, the French administrators regard the same thing as within the law. In other words, there is one law for the British and another for the French. And, of course, a government of this kind cannot stand. In England and in France you get justice; in the New Hebrides you get nothing of the kind. The Secretary of State for Foreign Affairs has little or nothing to say when questioned on the subject in the House of Commons; the matter is too small for him to attend to. All the same, deep resentment is burning in the hearts of the British inhabitants, and this resentment is finding every sympathy in Australia. There is one, and only one, solution of the New Hebrides difficulty, and that is to purchase the French rights and to hand the islands over to Australia, letting the Commonwealth administer them as in the case of British New Guinea.

DIPLOMATIST.

LOCAL REGIMENTS FOR INDIA

By ARTHUR N. GORDON

ALTHOUGH the subject of a local force, recruited from the domiciled community—that is Europeans and Eurasians who have made India their permanent home—has been talked about for the last thirty years, it is but recently that the question has come prominently to the front. The policy of reserving all, or nearly all, appointments in the public service for Hindus and Mahomedans, while the superior grades in every department are filled by lads brought out from Great Britain, has resulted in reducing a growing section of the population to a state of poverty and hopeless depression. In almost despairing tones, an appeal is now being made by representatives of people whose sole fault lies in the fact of their children being born and educated in the country of their adoption.

It is hopeless to expect help from the authorities in this country, hence arises the necessity of bringing the claims of the domiciled to the notice of the British nation, probably ignorant of the existence of a large body of their countrymen—of pure or mixed descent—who labour under disadvantages that would not be endured for a moment by dwellers in any of the colonies. To provide the rising male generation of that community with the opportunity of entering a noble profession, and acquiring the manly habits developed by discipline and healthy surroundings, is one of the chief aims of advocates for a few local corps being recruited in India and destined to supplement the garrison of that land. The project can be conveniently treated after the three-fold fashion in which Bacon handled the topics of his famous essays. The composition such regiments should assume; the advantages to Government, and the domiciled, from the creation of an armed force for Indian service; and the arguments employed by opponents of the scheme.

Now that a Royal Commission is visiting India with the avowed object of finding out whether natives can be more freely given appointments under Government, it may not be amiss if the members of that Commission had their attention drawn to

the hard lot of the descendants of those by whose valour in the field, or enterprise in the private capacity of planters, merchants, doctors, and engineers, the Indian Empire became one of the brightest gems in the Imperial crown.

It must be premised that the European and Eurasian is not making an extravagant demand nor seeking for exceptional treatment at the hands of the Viceroy and his council. All that is requested is the chance of showing their ability to fill a like rôle as Tommy Atkins in the defence of the land which is their place of residence. To raise a couple of infantry corps, and perhaps a battery of artillery, is the extent of their prayers. If the experiment proves a failure, or merely a qualified success, they will rest content with the hostile verdict; what is urged is that such experiment is worth making, and in that appeal they have the support of that impartial umpire, the history of the rise of British power in India; that vast continent ruled over by races differing in religion, colour, and customs from the traders out of the West who, bit by bit, fulfilled the prediction of old Runjeet Singh and coloured the map of the whole Indian continent the national colour, red.

Needless to remark, any corps recruited locally would have, for the first few years of its existence, to be officered by men carefully selected from British regiments in the country, while a nucleus of non-commissioned officers, to act as serjeant-major, quartermaster serjeant, and colour-serjeants for each company would also be essential. The need for such outside assistance would gradually be less imperative, for many of the domiciled are sons of old soldiers, and the majority of them belong to the volunteers; volunteering being compulsory, it may be noted, for railway employés and most of those working in one or other of the great public departments. Now that life in the United Kingdom is a struggle with narrowed income, the number of army officers and civil officials holding gazetted posts who elect to remain in India on the completion of their service is bound to increase. After a man has experienced the comparative freedom from money worries and enjoyed the luxury of plenty of servants, means to keep a horse and trap, and to indulge in most forms of sport, without fear of getting involved in debt, the delights of a suburban villa or a small house at some unfashionable seaside resort disappear as the time for retiring on pension draws near. More so when he is a married man "with encumbrances." The sons of this class of people would as easily be trained as efficient officers of the future as most of the cadets entering, ever in smaller numbers, Sandhurst or Woolwich. They spring from precisely the same social stratum as the lads joining the Army in England, and it would only require the establishment of a

military college, similar to Kingston in Canada, to turn them out as well equipped for the Army as their compeers educated at home.

The matter of education for the domiciled is too important to be dealt with in the present article, so it will suffice to assert that a boy can—and in the past was—as well taught in a Hill school in India as at the majority of better known seminaries in Great Britain. When the demand for well-educated European and Eurasian lads ceased, the supply followed suit, for parents failed to see the gain of paying for the ordinary education of the English gentleman, when it led to its possessor being pronounced unfit for higher billets than that of a police inspector or railway guard. Whatever may be the drawbacks of life in India—and these are frequently represented as graver than facts admit—that country is undoubtedly the place *par excellence* for a poor gentleman to settle down in. The rich man at one end of the scale, and the artisan at the other, would find themselves in a wrong environment; the former can afford to pay for all the luxuries of comfortable surroundings in the West, the latter could never compete with the cheap native labour still obtainable in the East. Were a college for training cadets started, there is little fear that material is not available to provide local regiments with officers of an excellent stamp.

Whether men ought to be enlisted for "general service," or solely for service within the Indian Empire, is a matter which could be decided upon when the merits of a local force had been thoroughly tested.

Coming next to the rank-and-file. The boy from a school in India is, to say the least of it, as well learned as nine-tenths of the recruits enlisted in a British corps. Their defects, both real and alleged, will be discussed later on, but it should be determined that the sons of British parents on both sides, as well as the offspring from mixed marriages, be permitted to enlist. A body composed entirely of the Eurasian element would, for some time, have a certain stigma attached to it which would run the risk of ruining all prospects of a local force winning popularity with the class from whom it must be chiefly raised. It is said in the Indian Press that pure Europeans cannot be enrolled in a regiment of the sort contemplated without parliamentary legislation. If this indeed be correct, a short measure might surely be passed authorising that being done, and would rank as a beneficial piece of work, unlike some of the recent Bills sanctioned by the House.

Could the advantages to Government from the adoption of the scheme be understood at home, a measure to this effect would not meet with serious opposition, and the former can be briefly

stated. First there comes the financial saving, for a local regiment would not cost the large amounts annually incurred by bringing out drafts to a British battalion in India and sending home its time-expired men. Acclimatised to the country, the smaller liability of the domiciled to succumb to diseases like enteric fever, cholera, and so forth, of course means a smaller number of admissions to hospital and casualties due to the dangers of an oriental climate where immature lads fresh from the United Kingdom are concerned. Though the pay of the non-commissioned officers and privates must be at exactly the same rate as Tommy Atkins receives, there would be further economy in the transport of large bodies of men to the hills every hot season. Like their forefathers in every rank of life, the domiciled can manage very well without these migrations for half the year to a cooler clime; since by following sundry simple rules of life, a man can get through an Indian summer without his health deteriorating. Army doctors may ridicule the foregoing statement, yet in the earlier period of British occupation of India, soldiers and civilians worked and thrived without these visits to the hills, and many of the commercial people of Calcutta and Bombay manage to stay—and keep well—on the plains at the present time. Thanks to Lord Kitchener's reorganisation schemes there are several cantonments, abandoned in pursuance of the policy favoured by the late Commander-in-Chief, available for quartering a local regiment. Knowledge of the natives of the country, their language and customs, is another point where, naturally, a domiciled soldier must be superior to his brother-in-arms from Europe. Most lads brought up here are accustomed from their early days to the use of firearms, to riding, swimming, and other athletic accomplishments, which seldom come within the ken of the average home recruit.

The last argument in favour of a local force recruited on the above lines is the most weighty, to wit, the certainty of soldiers recruited from the domiciled community remaining staunch to Government under any conceivable circumstances. Nobody acquainted with the Native Army would hint at the doubtful loyalty of the sepoys and Indian officers; still events might easily arise which would strain attachment to a foreign Power—as Britain is in the country—to breaking-point. Religious, or political, agitation might suddenly destroy faithfulness to their salt; a temporary, yet overwhelming, flood of excited feelings might sweep aside habits of discipline and fidelity to the Sirkar, and Mahomedan, Sikh, Maratha, and Hindu, be once more seized with a desire to fight against their present rulers. Natives describe the Mutiny as a "tanda saans," a chilly blast which blew all ideas of loyalty and gratitude out of the minds of the

Company's troops for a season. It would be easy to mention a few of the probable directions whence a danger of that sort can reasonably be expected, but that task may well be left for another occasion. To fondly imagine—as many persons, who ought to know better, do—that another general rising against our rule is outside the region of practical politics is to ignore the conditions under which we govern India and its huge population of mixed races; differing from Britons in creed and a hundred other ways. Although his claims for fair treatment have been met with cold neglect or, at best, a half-hearted sympathy: though he sees every avenue of employment closed to his descendants while they are thrown open to Mahomedans and Hindus: though he—especially the Eurasian—is looked down upon and given no credit for the virtues he possesses; notwithstanding all these “slights and contumelies of time,” the domiciled race has never wavered in firm allegiance to a Government to which—alone of all the peoples of the Indian continent—they are united by the bond of a common faith and ties of blood.

The grounds for the British nation insisting that the experiment of Local Regiments be granted a fair trial having been stated, one has to review the objections entertained by the civil and military authorities against acceding to so just a demand.

The fact of the majority of civil officials and army officers having no permanent interest in the land where they serve an allotted number of years, and then retire to England to enjoy their pensions, inevitably induces a contemptuous indifference towards matters of vital importance in the eyes of men settled down in the country. Astonishing ignorance regarding those who do not belong to Government service is also responsible for the attitude assumed by many persons where the domiciled are concerned. The Eurasian is spoken of as devoid of all the qualities that tell for manliness, courage, even honesty, while the knowledge that a boy has been born and reared in India, whether of pure British parentage on both sides or not, serves to condemn him as a fitting candidate for all, save subordinate, posts and often renders his recognition by the official society of a station a question of utmost deliberation. If the dislike to the man of mixed race is simply on account of nothing good being likely to come out of Eurasia, immediate refutation is at hand. In the commissioned ranks of the Army, and in the highest civil appointments, Eurasians are found, and such being the case can it be seriously argued that men of that origin are incapable of being made into good and reliable soldiers? It might be urged that the better—in other words, the richer—Eurasian parent sends his offspring to England for his education, and therefore the latter is purged from the offence of

India being his birthplace. Why, then, is the being brought up altogether in India, and according to native ideas, not considered a bar to Hindu and Mahomedan youths seeking to enter the service of Government? One has only to read the history of the British in India to learn the great share taken by those of mixed descent in the conquest and settlement of that land. The old Bengal artillery, those galloper guns made famous by men like Olpherts and Maude (not forgetting Lord Roberts himself), contained a good proportion of Eurasians among the gunners and drivers, yet nobody will venture to dispute their claims to rank with the most efficient and gallant defenders of the Empire in the fiery ordeal of Mutiny days.

That there are defects in the Eurasian character is undeniable, but these are superficial and of precisely the nature quickest removed by military discipline and lessons of self-reliance. Since the patient perseverance of British subalterns and their sergeant instructors transformed Egyptian fellaheen into a respectable fighting force, it is surely not expecting too much when one prophesies that after a very short period of training the domiciled recruit would become a good soldier, a valuable source of strength to the British garrison in India. The above remarks apply with greater force in the case of Europeans belonging to the same community, though the two separate sections of permanent residents are often maliciously jumbled together as one class.

In conclusion, if the Royal Commission really wish to confer a benefit on a deserving set of Britishers, living in India yet closely allied in most respects with the nation they spring from, they should not confine their labours and inquiries to ascertaining the wisdom and feasibility of admitting more natives to the various public departments: a measure, one hastens to assure them, most unpopular with ninety-five per cent. of the native races, and only advocated by a small, if noisy, section of "educated Indians" (to give them their novel designation), who owe their present prosperity to the Pax Britannica maintained by the very nation they so bitterly attack.

To look for action by the authorities out here is to forget the history of the last thirty years and the dislike for European settlers, which is a legacy from the days of the Company, jealous of any rival to the commercial monopoly enjoyed by that renowned association of soldiers, administrators, and traders. It is in Great Britain that redress for what constitutes a standing reproach to British administration in India can be hoped for; yet the general apathy of the home public where their great Eastern Dependency is concerned causes one to fear lest the question of Local Regiments is doomed—like many other projects for strengthening our hold on India—to be ignored and receive scanty

attention. When however it is seen that the Military Budget would, after a year or two of the suggested experiment, be materially lightened ; a force created quite capable of dealing with internal disorder in that country, thus freeing a portion of the British and Native armies for work on the frontiers or elsewhere ; and, finally, that a career would be opened to hundreds of deserving Europeans and Eurasians, enabling those classes to regain the place in popular esteem which, through no fault of their own, they have lost in the eyes of the Indian official world, thoughtful people in the United Kingdom may deem it a duty to bring the matter prominently before the British nation.

Once a few questions are asked in the House of Commons and a few leading articles penned on a problem of a Local Force for India, it will become patent that some such scheme as sketched in the foregoing lines is essential for the benefit of the Empire at large and India in particular.

ARTHUR N. GORDON.

U.P., INDIA.

STATE PATERNALISM IN THE TROPICS

BY F. A. W. GISBORNE

II.

FOR fifty years White Australia has held sway in the Northern Territory as far as agriculture is concerned. The result is seen in the present condition of that industry there. Setting aside the small areas now cultivated by the Government, or by Chinese gardeners under yearly license, there are not a hundred acres of land under crop in the whole country. The new Administrator and the extensive cohort of officials that followed him to the scene of his labours may be said to constitute the forlorn hope of "White Australia," and they are now engaged in an assault on the battlements of Nature, which, whether well designed or not, is at least being delivered with signal energy and courage.

Private enterprise having entirely failed in the past to respond to the most persuasive appeals of the South Australian Government to undertake the cultivation of its vast and fertile tropical domains subject to the essential racial restriction throughout enforced, the ruling authorities in the far north have now decided to show the way. Two State experimental farms accordingly have been established, and are now in operation; and in their neighbourhood a number of blocks of land have been surveyed and offered to settlers free of rent for life, subject to certain easy conditions as to residence and improvement. In addition *bona fide* occupiers are promised work in road-making or on the Government farms at a high rate of wages, should they need to earn money to enable them to develop their holdings. So far, however, only seven of these farms have been applied for.

One of the agricultural establishments just referred to, officially styled the "Batchelor Demonstration Farm," is situated on the Pine Creek Railway, 60 miles from Darwin; and the site of the other is near the Daly, some distance eastwards. Each farm includes an area of 2,560 acres, and the objective aimed at in working it is to demonstrate the capability of white men, under

skilled direction and by the observance of the sanitary precautions demanded by the climate, profitably to raise various kinds of agricultural produce. Operations on both properties commenced simultaneously at the beginning of the year 1912. So far, of course, the work done has been mainly developmental; and it were unreasonable to expect pieces of rough forest country to be transformed into profitable farms within the short space of two years. The reports of the managers of both institutions deal only with the first year's operations, and of these a short and condensed account may prove interesting.

The site of the Batchelor Demonstration Farm was specially chosen on account of its embracing the three chief classes of country representative of the northern coastal region—open forest with light, red, gravelly loam; rich black-soil pandanus flats subject, in their natural condition, to inundation during the wet season; and stony hills and ridges affording rough pasture for stock. All the varieties of native grasses peculiar to the northern half of the Territory are described as growing within the farm limits, and there seems to be a fairly good supply of permanent water; while the railway close at hand facilitates the transport of farm requirements and produce. The block selected on the Daly consists chiefly of rich alluvial flats; but since, for particular reasons, work there is in a rather backward state, the following remarks will deal chiefly with the progress of operations on the Batchelor Farm.

From the detailed report supplied by the manager of the latter, it seems that, at the end of 1912, 152 acres of land had been cleared at a cost varying from £2 14s. to £11 10s. 6d. per acre. These rates, considering the comparative lightness of the timber (2 feet is stated to be about the maximum diameter of the trees growing on the land selected, and, after a cursory personal survey of the locality, I should not estimate the average diameter to exceed 8 inches), must be regarded as decidedly high. Day labour, in the main, was employed, though some of the work was let by contract. Grass, officially described as attaining the height of 14 feet, must have impeded the clearing operations very considerably. In places, indeed, the Northern Territory haymaker would find the axe a more convenient tool than the scythe. Emphasis, as one would expect, is laid by the manager on the trouble experienced in keeping in check the second growth of forest vegetation after the first clearing of the ground. Everyone conversant with the ordinary conditions of tropical agriculture knows with what magical rapidity and luxuriance seedling trees, weeds and grasses spring up during the wet season; and the white labourer in Northern Australia hereafter (supposing present methods to be persisted in) will have a busy and distressful time on the planta-

tions during the wet monsoon. Besides the clearing, some fourteen miles of fencing have been completed, a substantial residence for the manager erected, as well as quarters for the employees, a large fly-proof stable, cowshed, dairy, sheepyards, etc. The outlay on all these structures seems to have been very considerable. The sum of £1,150 is said to have been expended on the manager's dwelling alone, apparently not a very commodious edifice, as it contains only four rooms besides kitchen, laundry and verandah. Nevertheless, the building referred to is described as being the best of its kind in the Territory, a fact which, at least, does not suggest a very high standard of luxury.

Constructive work of the kind just indicated naturally took precedence over such tasks as clearing and ploughing. Of the 152 acres of land denuded of timber, it is not stated how large an area has yet been cultivated; though we are informed that the breaking up of the ground with the aid of a steam traction engine cost at the rate of £1 per acre, and that when non-mechanical means were employed six of the best horses on the farm were required to work a single furrow plough. Either, one would imagine, the soil was exceedingly strong or the animals very weak. A rather extensive list of cereals and other plants grown on a large or small scale is subjoined. This includes various varieties of wheat, oats, barley, pumpkins, maize, sorghum, millet, cow-peas and potatoes, besides a number of fruit trees. In regard to live-stock, small but choice herds of cattle and draught horses have been imported, as well as a flock of stud sheep, thirty pigs, a hundred goats including some of the Angora kind, and fifty fowls. Arrangements have been completed for the addition of some colonies of Ligurian bees to this rather mixed family, so the manager will have to be a man of very catholic tastes and acquirements to perform the duties of supervision satisfactorily. The sheep, by the way, must have felt surprise when first turned out on pastures where the grass at the time grew to the height of eight feet, and where, it is narrated, when the spear-shaped seed began to fall, "the grass spines stood all over the fleece like hair." Next year, it is hoped, the animals will be trained to use stilts for convenience of grazing. The pigs are said so far to have thriven admirably. Paddy's friend is an animal gifted with a happy and adaptable disposition, which, no doubt, prevents its feeling any objection to being periodically transformed into a porcupine.

In regard to climate, during the year 1912 the rainfall registered on the Batchelor Farm amounted to exactly fifty-two inches. During the months of January and February almost thirty-five inches fell, while from May to August inclusive no rain at all was registered. As to temperature, no record seems to have

been kept; but probably, as at Darwin, the average daily maximum in the shade throughout the year in both the localities where experimental work in connection with agriculture is now being undertaken by the Government is about 90°, with a minimum some 10° lower.

So far the mortality rate on the farms appears to have been low. But, as will presently be shown, most of the men hitherto employed have been mere birds of passage, and strong complaint is made of the complete unreliability of the white labour available, not only by the managers of the farms but by the superintendent of buildings, in spite of the very liberal pecuniary inducements offered. But there is clear evidence that the sick rate has been high, as it is indeed among Europeans throughout the whole Territory. Last year 228 patients were admitted into the Darwin hospital, a number equal to nearly 10 per cent. of the mean white and coloured population during the period. The officially recorded death rate (which, for obvious reasons, must be below the actual rate) last year was 29 Europeans and 35 coloured persons per 1,000. In 1907 the respective figures were 42 and 50, so public hygiene seems to have advanced in the interval. It must be borne in mind, however, that only those who are thoroughly robust take up their residence in the Territory. The region does not invite weaklings, and but an insignificant fraction of the population is represented by the very young and the very old. The physically unfit, placed there, would perish like flies.

The economic results of the novel experiment now in progress cannot, as before remarked, correctly be gauged for some time to come. So far, in return for an outlay approaching, if it has not passed, £20,000, the money returns appear to have been nil; but this is excusable. It may be surmised, nevertheless, that if, after a fair trial, the State farms fail to pay their way, practical men will be reluctant to risk bankruptcy by adopting the methods employed on them, or indeed to migrate to the Territory at all. The Southern farmer in Australia still shows a singular indisposition to turn a willing ear to the blandishments of the rulers of the Northern Territory. Limiting our purview to the present, an examination of the pages of the Administrator's Report devoted to the labour question yields instructive results. It seems that during the year 1912-13 eighty-five men altogether were engaged on the two Government farms, and at the close of the period mentioned there were twenty men working on the Batchelor Farm and thirteen on the other. Evidently the Daly district is not popular as a place of residence. The first manager of the farm there situated, Mr. J. T. Ramsay, after a brief experience of its attractions, resigned, declaring the climate to be "terribly trying," and expressing the most discouraging opinion as to the possibility

of rendering the farm an economic success under the conditions imposed by the Government. Although this frank utterance by no means pleased the retired officer's former superiors, the Administrator himself admits that white labour in the Northern Territory, at the best, is only 80 per cent. as efficient as it is in the south. And though the very few medical authorities who support his views as to the racial adaptability to all climatic conditions assure us that, if the white working man conforms to a long list of sanitary requirements—if he be careful and abstemious in eating and drinking; if he shun the embraces of the mosquito; if he perform regular and frequent ablutions; if he work at certain hours, sleep at certain hours, and take exercise on scientific principles at others, he will remain a healthy individual; yet, to those who know the character and habits of the ordinary manual worker, these "ifs" include a multitude of improbabilities. And the sum of a given number of improbabilities really constitutes an impossibility. To expect each ordinary white labourer to combine the attributes of a Plato and a Tolstoy is to expect rather much.

Reverting to dry but illuminating figures, it seems that of the eighty-five men employed at various times throughout the year, some thirty "resigned," seven were dismissed, and several more either died or were invalided. The Government's efforts to import labour from the south appear to have met with indifferent success. On one occasion four Army reservists were engaged in a southern State to work on the Daly River farm. Each received an advance of £9 to pay his fare, and remuneration to the extent of one half the ordinary wages was granted from the date of embarkation to that of arrival at the scene of his labours. The ungrateful veterans, however, showed little appreciation of this generous treatment; within six months three had been dismissed, presumably for inefficiency, or, possibly, unregulated thirst, and the fourth had resigned on account of illness.

On the general quality of the labour employed on both farms their managers bestow but qualified praise. It is remarked that the men usually began with a "tremendous spurt," then their energies slackened, and at last most of them "drifted away." The description exactly coincides with experience of the same kind, and under similar conditions, elsewhere. The debilitating effects of combined heat and humidity seldom show themselves at first; the new-comer, indeed, is for a time filled with a kind of feverish energy, which gradually gives way to lassitude. Ordinary plantation work, however, needs regular and sustained effort throughout the year; it cannot be done with a rush. The white coolie here compares unfavourably with his brown, black or yellow brother, who possesses the staying power inherited through count-

less generations of ancestors born with hoes in their hands and a blazing sun o'erhead. White Australia, among other things, has to reckon with heredity.

The wages paid on the farms to the ordinary employees appear throughout to have been extremely liberal. The lowest amount at first given was 10s. per day of eight hours; later this was increased to an all-round rate of 1s. 5d. per hour, or about £160 a year. Certain hard-working curates and leisured barristers in England may find these figures interesting. The offer of a weekly wage of £3 2s. 4d. for forty-four hours' work by a paternal and indulgent Government would certainly arouse enthusiasm in the East End of London, and perhaps satisfy the demands even of Mr. Ben Tillet. The Australian paymaster, it is satisfactory to record, is confidently promised that his well-paid servants will prove neither ungrateful nor unprofitable. True, there have already been a few strikes in the north, followed by substantial concessions; but these must be attributed merely to high spirits. The white gentleman of the hoe is not a serf, and he claims the right to fix his own hours of work and rates of remuneration. But, granting these reasonable demands, by virtue of racial superiority he will, we are assured (and incredulity were wholly improper), ultimately overcome in the economic contest his coloured rival, who is content to toil long hours for a handful of rice and a few pence a day. Here is room, if not for faith, at least for hope. And if hope be followed by fruit, not only Australia, but every populous European country possessed of vast, undeveloped tropical territories will have reason to rejoice, and to thank the rulers of the Commonwealth for one of the most valuable lessons ever taught by a courageous Government in the history of mankind.

F. A. W. GISBORNE.

THE VIRTUE OF ARMAMENTS

BY H. F. WYATT

THE meeting held at the Guildhall in furtherance of what is left of our naval power is perhaps unlikely to impress the Government very much, for the simple reason that it merely promises them a support of which they were already assured, and an assistance which proceeds principally from their political adversaries. On the other hand, it has undoubted use in that it disposes of a legend, sedulously propagated by the Little Navy faction, that the City of London was unwilling to bear its share of an increased naval expenditure.

The opposition to the Navy is based mainly, though not entirely, upon its expense. "The mad race of armaments" is constantly invoked as a sort of war-cry by those who wish to see the taxpayers' money diverted to the purpose of bribing the proletariat to vote for the present Government at the next general election by means of measures of so-called Social Reform. In a country like this, where rhetorical fiction has usually far more weight than fact, it would be advantageous, if it were possible, to get people to pause to examine what this race of armaments really involves.

The first point which emerges is that the alleged burden of armaments is largely illusory, because all burden is purely relative to strength. A weight which would crush a child is borne easily by a man. Therefore, if we wish seriously to gauge the financial burden of a nation's armaments, we have first to ascertain the proportion in which such expenditure stands to that nation's aggregate national income. That of the United Kingdom is generally estimated at about 2,000 million pounds a year. Our Defence Expenditure for 1913-14 (leaving out India) amounted to about 75 millions. This is equal to about $3\frac{1}{2}$ per cent. of the income named, which seems a by no means unreasonable premium for insurance.

Estimates of the aggregate national incomes of the nations of Europe are not easily accessible, but the late Sir Robert Giffin, so

far back as the year 1903, reckoned the aggregate capital of Germany at 14,000 million pounds, and that of Great Britain at 18,000 millions. In view of the vast growth of German wealth in the intervening years, it would be, perhaps, not very rash to put the present aggregate German income at about the same figure as our own. German expenditure on means of defence (or offence) by land and sea, last year, was between eighty and ninety million pounds, which, on the basis mentioned, would work out to between 4 and $4\frac{1}{2}$ per cent. This is, of course, leaving out of account any additional capital raised by way of loan for purposes of war, since such sums cannot come under the head of recurring annual outlay.

The ordinary defence expenditures for last year of Austria-Hungary, France, Germany, Italy and Russia, taken together, amount roughly to a little under 300 millions sterling. It is not easy to say exactly what proportion in each case this expenditure bears to the aggregate national incomes of the various Powers concerned, but it would be a very safe guess to say that in no case does it probably exceed 5 per cent.

These are the real facts in regard to "the mad race of armaments," and they offer a somewhat startling contrast to the wild generalities in which many good people habitually indulge. Thus we have Sir Max Waechter declaring that the annual direct and indirect war-expenditure of Europe amounts to a total of 1,000 million pounds. The word "indirect" may, of course, cover anything which Sir Max Waechter chooses to include. It is a term entirely vague, and for that reason completely without meaning. But to say that the direct expenditure of the whole of Europe upon armaments approaches within several hundred millions of the amount which he names would be entirely misleading.

The next point which we have to consider is the purpose served by the payment by the nations of Europe of an annual amount, varying probably from three to five per cent. of their national incomes for preparation for war. This expenditure is frequently called that which we have already termed it—an insurance—but the full extent, the full effect, the full purport of that insurance are not usually perceived. It subserves in truth three ends.

1. It preserves the independent existence of the nations which make this payment. No reasonable human being can doubt that any country which ceased to pay the price would also cease to be a national entity. How long would Germany retain her national integrity if she disbanded her army? How long would Austria-Hungary? How long would France? The country which failed to produce the premium would have to become the obedient

satellite of some country or countries which continued to pay it. Thus if France intermitted her military expenditure, she would have to take her orders from Berlin. This, then, is the first effect of the insurance.

2. Its second effect is to protect these European peoples against war. That, as a fact, it has had this effect is proved by the circumstance that forty-three years have now elapsed since the last struggle between great European powers. Since Charles VIII. of France crossed the Alps into Italy at the close of the fifteenth century, and by that act initiated our modern political epoch, no such lengthy period of peace can be found in European annals. That this preservation of tranquillity has been due to any abatement in national and territorial ambitions no one but a complete ignoramus would dare to assert. The period has been filled with dangerous impulse and with diplomatic intrigue, and again and again has Europe stood on the brink of universal conflict. But in each case the balance of forces has been such as to restrain statesmen from taking the final plunge. Has it not been worth while to pay five per cent. of national income to attain this result?

3. The third use of this premium, and perhaps the most valuable of all, is to insure against decay of moral vitality. An inefficient army may be a school of evil, but an efficient one must be a school of good. It must be, because military (or naval) efficiency postulates all kinds of high moral quality. A disciplined regiment or a disciplined crew is one in which the principle of self-sacrifice dominates all other sentiments. Officers and men must alike put duty above life; they must be prepared, literally, to die for their flag. The great armies of Europe are the means of preserving the moral life of Europe, using "moral" in its widest possible sense. If the morality fails, then defeat follows when the test of war is applied, as Russia failed in her struggle with Japan. Moreover the whole nation, while it pays the premium, is exhibiting self-sacrifice for the sake not only of the present but of the future. When France agreed to the third year's military service, she also sacrificed to unborn generations of French men and French women. This is an age in which the old religious sanctions are ceasing to operate. At such a moment in the life of Europe its great military systems provide an invaluable moral cement, without which all the bricks of the edifice of European civilisation would be apt to fall apart.

Well would it be for England if we had that cement here! May it be that the coming years may speedily bring us that universal compulsory military service which is the principal national need of our time.

H. F. WYATT.

THE SOUTH AFRICAN LABOUR STRIKE

BY W. B. TAYLOR

THERE is no man that the labour leaders of the world fear more than Louis Botha, and one can quite understand the Australian labour leader cabling the strikers that he would do anything to help to upset Botha's government, but the further promise of funds with which to accomplish the task seems a little doubtful of fulfilment.

The war proved there is no more virile race than the Boer. On the battlefield they may have been beaten, but to-day they are in the saddle again smiling, and whatever hope the syndicalists had of pitting their combined labour strength against the homogeneous mass of Dutch, combined with English and every other nationality engaged in industry and enterprise, is lost at the inception.

When the late John Hofmeyr formed the Africander Bond, with its ultimate ambitions, he laid the foundation of a nation. The co-operation of the Transvaal and Orange Free State have welded and strengthened the bonds, and whatever discussions the questions of the day may have brought about, the Dutch have always gathered together and obeyed their leader. In the matter of the strike they show the same unity of purpose that Lord Milner found opposed to him in the days of their great struggle.

It was very widely known that during February the Government would bring forward measures designed to prevent any recurrence of labour troubles and general strikes, and after seeing the draft bill the labour leaders hastened to bring off a *coup d'état*, which unfortunately for them has ended in a "misfire," for they found the Government prepared to resist by force any attempt they might essay to carry out their ends. The labour leaders now find themselves against that strong wall of Africanderism the foundation of which was laid a generation back, and which has tested a nation's strength. The labour party and the world have to learn that Africa is for the Africander. The whole-hearted support given by every peaceable and industrious citizen shows that whatever laws the Government may

deem necessary, and however unpalatable they may be to labour, the public will give its strong consent to measures that will forever prevent syndicalism from terrorising law, order and industry. By their prompt action South Africa have faced the forces of labour, and framed laws that will be welcomed in older countries where the hands of industry are tied.

In no country has labour been better paid than in South Africa. In England, the unemployed have starved and walked the streets begging; but here, however unskilled a man may be, every effort is made by the Government to give him employment and a home. Outside the skilled mechanics on the mines, the greater part of the whites are from every vocation but mining. The system of granting blasting certificates and the ready hand of the black man to do the work has filled the mines with unnecessary overseers and contractors, but not with real miners; for the moment a workman is sufficiently advanced to do special work his pay rises accordingly. Throughout all the mines the native is the actual hard worker, and there has been an unwritten law, that neither employer nor employed shall do anything to improve the status of the native in doing skilled work or handling machinery.

Further, it has been insisted upon that a certain percentage of white men should be employed on each mine, whether they were necessary or not, and the employment of a lesser number was classed as victimisation and rated as a grievance. Beyond this, the railway services throughout the Cape Colony have the coloured man as a competitor, and white labour is threatened everywhere by brown and black.

The chief question, however, is the economic question. South Africa to-day is struggling in every quarter. Agriculture requires assistance from capital and labour to become self-supporting. On the Rand labour rates were arranged in the days when all ore was computed to carry 40s. per ton value. To-day these values are not there. The problem to be faced is how to make 4 dwt. ore pay, and in order to do this costs have to be reduced. The rich ore on the Rand is limited. If the labour party had its way and only rich ore were worked, the Rand would be exhausted in fifteen or twenty years; if the industry can reduce its costs and work 4 dwt. ore it will be working for a hundred years, and with the assurance of settled labour and low costs great expansion would take place. It is inevitable that many things will follow in the wake of this futile uprising, and it will rest with the country's wisdom on what basis the resources shall be dealt with—whether the status of a black man as a miner shall improve, and whether the mines shall be released from their present white-labour victimisation.

It is economy and a lengthened life and expansion *versus* rapid exhaustion of the small quantity of rich ore and an inevitable setback that has to be considered; but the Africander has put his hand to the plough, and with him is joined every industrious soul in the country. There is now no question of racialism; at the first call men of both races have joined to support their country's need.

It is a moot question whether the hand that takes the pay will dictate the country's policy, for Africa is for the Africander, and it is he who will insist on every internal question, be it labour, Indian or native trouble, being settled by the voice of the majority that rises in a moment to support its Government from the threats of wrong.

W. B. TAYLOR.

January 17.

SOUTH AFRICAN FRUIT

The Trades Commissioner for the Union of South Africa has received cable advice from his Government that considerable cargoes of South African fruit were shipped per SS. *Durham Castle* and R.M.S. *Edinburgh Castle*, which left Cape Town on the 2nd and 7th of February respectively:—

<i>Durham Castle</i> —		<i>Edinburgh Castle</i> —	
Peaches	869	Peaches	3,479
Pears	8,292	Pears	18,166
Plums	948	Plums	5,482
Nectarines	132	Grapes (small half boxes)	3,273
Grapes (small half boxes)	379	Melons	185
Natal Queen Pines	485	Mangoes	35
Natal Cayenne Pines	45	Natal Cayenne Pines	89
Total	11,150	Total	30,709

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

IN every section of the securities tabulated here prices show an unusually substantial advance on those of a month ago. The general rise to which reference was then made attained the proportions of an investment "boom" during the following week or two, and the subsequent relapse has only partially effaced the big advance that occurred in quotations. The successive reductions in the Bank rate to 4 and then to 3 per cent., and the general and emphatic cheapening of money of which it was the token, formed, of course, the basis of the revival.

The solid character of the improvement in market conditions may be deduced from the fact that the substantial rise occurred in face of a fresh flood of competitive new issues, naturally induced by the easing of the money market. The demand on the part of investors was sufficient not only to raise the market values of existing securities, but also eagerly to absorb the numerous new loans that were offered for subscription.

Four of Canada's municipalities have put small new loans on the market. First came the City of North Vancouver with an issue of £76,700 of 5 per cent. Debentures to bearer. These were offered for sale to the public at 93 per cent., at which the debentures afforded a yield of 5½ per cent. without allowing for

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
3½% Stock (t) . . .	91,276,210	1931	92	3½	Quarterly.
3% " (t) . . .	66,480,596	1948	79	3½	"
2½% " Inscribed (t) . . .	11,892,207	1926	66	3½	"
3½% Rupee Paper 1854-5	..	(a)	96½	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee Investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	75½	3½ ⁵ / ₈
Bengal and North-Western (Limited)	3,000,000	8	100	155½	5½
Bengal Doocars, L.	400,000	6	100	101½ ^x	5½
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	5	100	116	4½ ⁵ / ₈
Burma Guar. 2¼% and propn. of profits	3,000,000	4½	100	108	4½
Delhi Umballa Kalka, L., guar. 3½% + net earnings	800,000	9½	100	194½	4½
East Indian Def. ann. cap. g. 4% + ½ sur. profits	1,721,949	6 ² / ₁₀	100	98½	6½
Do. do, class "D," repayable 1953 (t)	4,828,051	5 ⁷ / ₈	100	119½	4½
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	112	4
Do. new 3% deb. red. (t)	8,000,000	3	100	76	3½ ⁵ / ₈
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ¼ surp. profits 1925 (t)	2,575,000	4½	100	100	4½
Madras and South Mahratta	5,000,000	5	100	113½	4½
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	99	5
Do. 3½% red. mort. debts.	1,063,300	3½	100	80	4½
Rohilkund and Kumaon, Limited	400,000	7½	100	154½	4½ ⁵ / ₈
South Behar, Limited	379,580	5	100	103	4½ ⁵ / ₈
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	167	5½ ⁵ / ₈
Do. 3½% deb. stock red.	500,000	3½	100	81	4½ ⁵ / ₈
West of India Portuguese Guar. L.	800,000	5	100	91	5½ ⁷ / ₈
Do. 5% debenture stock	550,000	5	100	100½	4½ ⁵ / ₈
BANKS.					
		Number of Shares.			
Chartered Bank of India, Australia, and China	60,000	16½	20	63	5½ ³ / ₈
National Bank of India	80,000	14	12½	42½	4½ ⁷ / ₈

(t) Eligible for Trustee Investments.

(x) Ex dividend.

the profit on redemption, the debentures being redeemable at dates extending from January 1, 1928 to July 1, 1963. The city's total debenture debt was brought up by this issue to £576,646 against a total assessed value of £4,129,578.

Medicine Hat, Alberta, was the next to make a bid for public subscriptions, offering £162,900 of 5 per cent. Debentures at 92. The prospectus drew attention to the fact that Medicine Hat enjoys what seems to be an almost unlimited supply of natural gas, which the city controls and which is suitable for both manufacturing and domestic purposes. The charge to manufacturers is only 2½d. per 1,000 cubic feet, and the possession of this valuable power-producing asset, combined with the deposits of coal in the vicinity and the position of the city on the South Saskatchewan River, has already attracted to Medicine Hat numerous important milling, manufacturing and other industries, the number of which is rapidly increasing.

Maisonneuve, which, though constituted as a separate city, is practically part of Montreal, issued £92,500 of 5 per cent.

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	95	3½	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	91	4½	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock . .	2,045,760	1941	79	4½ ⁵ / ₈	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . . .	1,915,000	1950	94	4½	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . . .	450,000	1949	93	4½	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	84	4½ ⁵ / ₈	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . . .	1,200,000	1946	87	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed	1,897,820	1937	82	4½ ⁵ / ₈	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock	1,082,192	1951	89	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. . .	1,920,900	1930-42*	91	5½	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	91	5½ ⁵ / ₈	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4½	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	94	4½	1 May—1 Nov.
Quebec 4% Debs. . . .	385,000	1923	96	4½ ⁵ / ₈	1 Jan.—1 July.
Regina 4½% Debs. . . .	382,500	1925-52*	90	5½	1 Jan.—1 July.
Toronto 4% Bonds . . .	300,910	1922-28*	95	4½	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	90	4½ ⁵ / ₈	1 Apr.—1 Oct.
Winnipeg 4% Regd. . . .	2,500,000	1940	94	4½ ⁵ / ₈	1 Apr.—1 Oct.

* Yield calculated on latest date.

Debentures which were offered for sale to the public by the purchasers at par. The fourth Canadian municipality to appear as a borrower during the month was the City of New Westminster, British Columbia, £188,000 of whose 5 per cent. debentures were offered for sale at 95 per cent.

There was little or nothing in the Grand Trunk half-yearly results to enliven the market. Whereas the half-year's gross receipts showed an increase of £156,200, the working expenses grew by £225,300, so that the net receipts showed a decrease of £69,100.

On the other hand, there was a credit balance on account of rentals, outside operations and car mileage of £10,700, whereas the

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	10	\$100	223½	4 7/8
Do. 4% Preference . . .	£15,173,563	4	Stock	94½	4 1/8
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	99	4
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	23½	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	106	4 1/8
Do. 5% 2nd " . . .	£2,530,000	5	"	98	5 1/8
Do. 4% 3rd " . . .	£7,168,055	2½	"	52½	4 1/8
Do. 4% Guaranteed . . .	£12,215,555	4	"	88	4 1/8
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	114	4 1/8
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	93½	4 1/8
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	256	4 1/8
Bank of British North America	20,000	8	50	76	5 1/8
Canadian Bank of Commerce .	200,000	12	\$50	£22	5 1/8
Canada Company	8,319	50s. per sh.	1	21½	11 1/8
Hudson's Bay	1,000,000	50	1	10½	4 1/8
Trust and Loan of Canada . .	100,000	8	5	6½	6 1/8
Do. new	25,000	8	3	3½	7 1/8
British Columbia Elec- } Def.	£1,200,000	8	Stock	123	6 1/8
tric Railway . . . } Prefd.	£1,200,000	6	Stock	109	5 1/8

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds . . .	2,178,800	1941-7-8*	88	4½	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	78	4½	
4% Inscribed Stock . . .	320,000	1913-38*	100	4	
4% " " . . .	427,881	1935	98	4½	
4% Cons. Ins. " . . .	200,000	1936	97	4½	
3½% Inscribed, 1910 . . .	800,000	1950	90	4	

* Yield calculated on latest date.

corresponding half of 1912 produced a debit balance of £87,100. Thus the total net revenue of the company showed an increase of £28,700. An increase in the net revenue charges, offset to only a slight extent by a diminution in the Canada, Atlantic and Detroit Grand Haven deficiencies, whittled down the increase in the net surplus available for dividend to £10,100. After providing for the dividends on the Guaranteed and First and Second Preference stocks there was sufficient to provide 2½ per cent. for the year on the Third Preference, the same as for 1912, and to leave £16,600 to be carried forward. The accounts of the Grand Trunk Western, which are kept quite separate from those of the Grand Trunk Company itself, show a surplus for the half-year of £14,150. Deducting this from the debit balance of £22,900

brought forward, there remained a debit of £8,750 to be carried forward.

Two more Australian States, making four since the beginning of the year, have issued new loans during the month. Western Australia has issued another £2,000,000 of its 4 per cent. Inscribed stock, redeemable 1942-62. This was offered at 98½ and was eagerly taken up. The proceeds are to be employed in the construction of railways, tramways, harbours and other developmental works. A few days later South Australia appeared with an offer of £2,000,000 of similar stock, redeemable 1940-60, but fixed its issue price at par, with the result that the public was not nearly so eager to acquire the stock, and part of the issue was left with the underwriters.

New Zealand has been represented among the month's new issues not only by a loan of the Dominion itself, but also by

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	103	3½ ³ / ₈	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3½% " " (t)	16,464,545	1924	98	3½ ³ / ₈	
3% " " (t)	12,475,800	1935	88	3½ ³ / ₈	
VICTORIA.					
4% Inscribed, 1885 .	5,959,500	1920	102	3½ ¹ / ₈	} 1 Jan.—1 July.
3½% " 1889 (t)	4,981,750	1921-6†	96	3½ ³ / ₈	
3% " (t) . .	5,211,331	1929-49†	81	4	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	101	3½ ⁵ / ₈	} 1 Jan.—1 July.
3½% " " (t)	4,834,334	1921-24†	96	4	
3% " " (t)	4,274,213	1922-47†	81	4½ ¹ / ₈	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	101	4	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-26†	101	4	
3½% " " (t)	2,517,800	1939	93	3½ ⁵ / ₈	} 1 Jan.—1 July.
3½% " " (t)	839,500	1916-26†	89	4½ ³ / ₈	
3% " " (t)	2,760,100	1916 † or after.	75	4	
WESTERN AUSTRALIA.					
3½% Inscribed (t) . .	3,780,000	1920-35†	92	4½ ¹ / ₈	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t)	3,750,000	1915-35†	87	3½ ⁵ / ₈	
3% " (t)	2,500,000	1927†	91	3½ ³ / ₈	
TASMANIA.					
3½% Insobd. Stock (t)	4,156,500	1920-40†	92	4	} 1 Jan.—1 July.
4% " " (t)	1,000,000	1920-40*	100	4½ ¹ / ₈	
8%	450,000	1920-40†	82	4½ ¹ / ₈	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	99	4 $\frac{5}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb. . .	850,000	1915-22*	100	4 $\frac{1}{2}$	} 1 Jan.—1 July.
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	101	4 $\frac{3}{8}$	
S. Melbourne 4 $\frac{1}{2}$ % Debs. . .	128,700	1919	100	4 $\frac{9}{16}$	} 1 Jan.—1 July.
Sydney 4% Debs. . .	300,000	1919	98	4 $\frac{9}{16}$	

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	5	5	5 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£130,900	4 $\frac{1}{2}$	100	92	4 $\frac{7}{8}$
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	122	5 $\frac{9}{16}$
Bank of New South Wales	125,000	10	20	40x	5
Union Bank of Australia £75	60,000	14	25	56	6 $\frac{1}{2}$
Do. 4% Inscribed Stock Deposits . . .	£600,000	4	100	98	4 $\frac{1}{16}$
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	7 $\frac{1}{8}$	8 $\frac{3}{8}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	93	4 $\frac{1}{2}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{3}{8}$	6 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	101	4 $\frac{7}{16}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced	£998,530	4	100	84 $\frac{1}{2}$	4 $\frac{11}{16}$
Do. B Income Reduced	£669,543	5	100	95 $\frac{1}{2}$	5 $\frac{3}{8}$
South Australian Company £15	14,200	£4	£4	63 $\frac{1}{2}$	6 $\frac{1}{2}$
Trust & Agency of Australasia	54,979	12 $\frac{1}{2}$	1	1 $\frac{3}{8}$	10 $\frac{1}{2}$
Do. 5% Cum. Pref. Stock	1,000,000	5	100	102 $\frac{1}{2}$	4 $\frac{7}{8}$

(x) Ex dividend.

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	100 $\frac{1}{2}$	4 $\frac{1}{8}$	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	102	3 $\frac{7}{8}$	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,543,932	1940	92	4	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	83	4	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

three municipal loans. The Dominion loan consisted of £4,500,000 of 4 per cent. ten-year convertible Debentures, offered at 100 $\frac{1}{2}$ through the Bank of England. Of the proceeds of the issue, £1,000,000 is to be utilised for the redemption of debentures

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb.	200,000	1934-8*	105	4 $\frac{5}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4 $\frac{1}{8}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	11 $\frac{3}{4}$	4 $\frac{7}{8}$	—
Do. 4% Gua. Stock†	£1,000,000	1914	100	4 $\frac{1}{2}$	April—Oct.
Christchurch 6% Drainage Loan.	200,000	1926	110	4 $\frac{7}{8}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6%	200,000	1929	106 $\frac{1}{2}$	5 $\frac{3}{8}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	101	4 $\frac{7}{8}$	
Do. 5% Debs.	200,000	1928	101	4 $\frac{1}{8}$	
National Bank of N.Z. £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid)	300,000	div. 13%	5	6 $\frac{1}{2}$	Jan.—July.
Oamaru 5% Bds.	173,800	1920	99	5 $\frac{1}{2}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	103	4 $\frac{3}{4}$	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	104 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks	130,000	1929	113 $\frac{1}{2}$	4 $\frac{1}{8}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs.	165,000	1933	101	4 $\frac{1}{2}$	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	99	4 $\frac{1}{2}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.
 † £6 13s. 4d. Shares with £3 6s. 8d. paid up.
 ‡ Guaranteed by New Zealand Government.

previously issued, and the balance for the construction of railways, roads and other public works, for advance to settlers, workers and local authorities and for the purchase of native land for settlements. In fact, the greater part of the proceeds is being employed for purposes which are actually profit-earning.

The three municipal borrowers were Auckland, Christchurch and Dunedin. Auckland offered £224,500 of 4 $\frac{1}{2}$ per cent. Debentures at par to provide funds for the extension of its electric power undertaking and for the purchase of land, erection of buildings and incidental expenses. Christchurch also required its money for electrical purposes, offering £100,000 of 4 $\frac{1}{2}$ per cent. Debentures at par to raise funds for the distribution of electric power from energy to be supplied by the New Zealand Government from its works at Lake Coleridge. Dunedin's issue, too, was made to provide funds for extensions of the city's electrical light and power undertaking, the £150,000 of 4 $\frac{1}{2}$ per cent. Debentures offered at par being described as the Waipiri Falls Electric Power Loan.

South Africa has been responsible for the largest new colonial issue of the month, offering at 98 $\frac{1}{2}$ per cent. £4,000,000 of 4 per cent. stock, redeemable 1943-63, the money being raised for railways and harbours and their equipment, telegraphs and telephones, and other public works and services. The City of

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Consolid. 4% Stock (t).	4,000,000	1943-63	98	4 $\frac{1}{8}$	1 Mar.—1 Sep.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	102	4 $\frac{7}{8}$	15 Apr.—15 Oct.
4% 1883 Inscribed	3,636,395	1923	102	3 $\frac{1}{2}$	1 June—1 Dec.
4% 1886	9,596,166	1916-36*	101	4	15 Apr.—15 Oct
3 $\frac{1}{2}$ % 1886 " (t).	14,890,744	1929-49†	98	3 $\frac{1}{8}$	1 Jan.—1 July.
3% 1886 " (t).	7,484,740	1933-43†	82	4 $\frac{1}{8}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876	758,700	1919	105	3 $\frac{1}{8}$	15 Mar.—15 Sep.
4% Inscribed (t)	3,026,444	1937	102	3 $\frac{1}{2}$	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	91	4 $\frac{1}{8}$	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	82	3 $\frac{1}{8}$	1 Jan.—1 July.
TRANSVAAL.					
3% Quardt. Stock (t)	35,000,000	1923-53†	94 $\frac{1}{2}$	3 $\frac{1}{2}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee investments.

Pretoria also has made an issue, consisting of £750,000 of 4 $\frac{1}{2}$ per cent. Inscribed stock, 1940-60, offered at 101.

As regards gold production, the Transvaal has begun the year badly, January's output being so seriously affected by the strike that it was the lowest return since that for October, 1911, not excepting the return affected by the miners' strike in the middle of last year. The following statement gives the returns month by month for several years past:

Month.	1914	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January	2,768,470	3,353,116	3,130,830	2,765,886	2,554,451	2,612,836
February	—	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892
March	—	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498
April	—	3,334,358	3,133,383	2,886,267	2,629,535	2,578,804
May	—	3,373,998	3,311,794	2,913,734	2,698,785	2,652,699
June	—	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818
July	—	2,788,917	3,255,198	3,012,738	2,713,083	2,636,965
August	—	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646
September	—	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760
October	—	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902
November	—	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146
December	—	2,857,983	3,297,962	3,015,499	2,722,775	2,569,822
Total*	2,768,470	37,358,040	38,757,560	34,991,620	32,002,912	30,925,788

* Including undeclared amounts omitted from the monthly returns.

On the other hand, the native labour supply for the gold mines, thanks to the energetic protective measures adopted by the Union Government, does not seem to have been much affected, showing as it does an increase of over 4,000 hands on the month, as is indicated by the following statement:

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1913 .	8,774	200,090	January 1914 .	4,190	154,202
February " .	7,572	207,662	—	—	—
March " .	71	207,733	—	—	—
April " .	2,309*	205,424	—	—	—
May " .	7,780*	197,644	—	—	—
June " .	8,550*	198,094	—	—	—
July " .	17,852*	170,242	—	—	—
August " .	12,019*	158,223	—	—	—
September " .	5,586*	152,637	—	—	—
October " .	3,755*	148,882	—	—	—
November " .	1,313*	147,569	—	—	—
December " .	2,443	150,012	—	—	—

* Net loss.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4%	768,000	1954	92	4 $\frac{7}{8}$	1 Jan.—1 July.
Cape Town 4%	1,851,850	1953	95	4 $\frac{1}{2}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4 $\frac{5}{8}$	30 June—31 Dec.
Johannesburg 4%	5,500,000	1933-4	94	4 $\frac{3}{8}$	1 April—1 Oct.
Krugersdorp 4%	100,000	1930	91	4 $\frac{3}{8}$	1 June—1 Dec.
Pietermaritzburg 4%	814,855	1949-53	92	4 $\frac{7}{8}$	30 June—31 Dec
Port Elizabeth 4%	369,068	1964	91	4 $\frac{7}{8}$	30 June—31 Dec
Pretoria 4%	1,250,000	1939	93	4 $\frac{3}{8}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	94	4 $\frac{7}{8}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	95 $\frac{1}{2}$	5 $\frac{3}{16}$
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915.	£1,931,800	5	100	100	5
Trans-African 5% Debs. Red.	£1,843,800	5	100	80 $\frac{1}{2}$	6 $\frac{3}{16}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6 $\frac{1}{2}$	5 $\frac{9}{16}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	7 $\frac{1}{2}$	7 $\frac{1}{16}$
National Bank of S. Africa £10	131,690	6	10	11 $\frac{1}{2}$	5 $\frac{1}{16}$
Standard Bank of S. Africa £20	309,705	14	5	12 $\frac{1}{2}$	5 $\frac{1}{16}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	7 $\frac{1}{16}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	14 $\frac{5}{8}$	9
British South Africa (Chartered)	8,937,559	nil	1	1 $\frac{1}{8}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	102	4 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{7}{8}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{2}$	—
Kimberley Waterworks £10	45,000	5 $\frac{1}{2}$	7	6 $\frac{1}{2}$	6 $\frac{7}{16}$

There was a decrease in the Rhodesian gold production during January as compared with December's output, but the return is considerably better than a year ago. The following statement gives the monthly returns for several years past:

Month.	1914.	1913.	1912.	1911.	1910.	1909.
January . . .	£ 249,032	£ 220,776	£ 214,918	£ 207,903	£ 227,511	£ 204,666
February . . .	—	208,744	209,744	203,055	203,888	192,497
March . . .	—	257,797	215,102	231,947	228,385	202,157
April . . .	—	241,098	221,476	221,296	228,213	222,700
May . . .	—	242,452	234,407	211,413	224,888	225,032
June . . .	—	241,303	226,867	215,347	214,709	217,600
July . . .	—	249,301	240,514	237,517	195,233	225,234
August . . .	—	250,576	239,077	243,712	191,423	223,296
September . . .	—	250,429	230,573	225,777	179,950	213,249
October . . .	—	247,068	230,072	218,862	234,928	222,653
November . . .	—	239,036	225,957	214,040	240,573	236,307
December . . .	—	254,687	218,661	217,026	199,500	233,397
Total . . .	249,032	2,903,267	2,707,368	2,647,895	2,569,201	2,623,788

Owing partly to the discussions regarding the land question the report and meeting of the British South Africa Company are awaited with more than usually keen interest, but its publication must necessarily be delayed for some little time yet. Sir Starr Jameson has only just returned from his visit to Rhodesia, and important questions have to be discussed by him and his co-directors.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4 $\frac{3}{8}$	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4 $\frac{1}{8}$	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . . .	1,076,100	1934	101	3 $\frac{3}{8}$	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	84	4	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	90	4 $\frac{1}{8}$	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . . .	1,099,048	1934	101	3 $\frac{3}{8}$	15 Feb.—15 Aug.
Do. 3½% ins. (t) . . .	1,493,600	1919-49†	89	4 $\frac{1}{8}$	24 Jan.—24 July.
Mauritius 3% guar.) Great Britain (t) . . .	600,000	1940	90	3 $\frac{9}{8}$	1 Jan.—1 July.
Do. 4% ins. (t) . . .	482,390	1937	99 $\frac{1}{2}$	4	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	89	4 $\frac{1}{8}$	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	101	4 $\frac{1}{8}$	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	78	4 $\frac{1}{8}$	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . . .	120,000	Div. £4 $\frac{1}{2}$	£84	5 $\frac{1}{8}$	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee Investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) . . .	£7,102,800	3	99	96	3 $\frac{1}{8}$
„ Unified Debt	£55,971,960	4	100	101	3 $\frac{1}{8}$
National Bank of Egypt	300,000	8	10	15 $\frac{1}{2}$	5 $\frac{1}{2}$
Agricultural Bank of Egypt, Ordinary	496,000	5 $\frac{1}{2}$	5	5 $\frac{1}{8}$	5 $\frac{5}{8}$
„ „ „ Preferred	125,000	4	10	7 $\frac{5}{8}$	5 $\frac{1}{8}$
„ „ „ Bonds	£2,350,000	3 $\frac{1}{2}$	100	82 $\frac{1}{2}$	4 $\frac{1}{8}$

(t) Eligible for Trustee Investments.

CONTINENTAL MONEY MARKETS

BY SIR EDWARD H. HOLDEN, BART.

(Chairman and Managing Director of the London City and Midland Bank, Limited)

IN making a brief survey of conditions which have prevailed and developments which have occurred at some of the leading monetary centres abroad during the past year, I do so for three reasons. In the first place, those conditions and those developments have been of an exceptionally interesting character. Secondly, it is, I am glad to say, increasingly evident to the English banker that any view of the financial situation which is confined to local occurrences in Lombard Street is worse than useless, owing to the growing international character of the world's money markets. And thirdly, I wish to invite attention to the developments which have taken place in Germany, Canada and the United States, because, considered collectively, these developments demonstrate the necessity for the consideration of certain vital problems in the London money market.

The money markets of London, Berlin, Paris and Vienna have all been higher, to the end of October, 1913, than was the case in 1912. From the end of October the rate in Vienna fell below that in the same period of the previous year. The same feature shows itself in the Paris rate, but in Berlin, the rate since October fell not only below that for the same period of 1912, but also below that of 1911, while in this country the discount rate was higher in 1913 than in 1912, not excepting the months of October, November and December. Why should the Continental rates for the last quarter of the year have fallen below those for 1912? The cessation of the war in the Balkans, the Treaty of Constantinople being signed at the end of September, must, I think, be taken as one of the causes which eased the European money markets. But if we turn to Holland, we find

Sir Edward Holden's recent address contained so much material of world-wide interest that at the request of the Editor, he has kindly allowed a reproduction of a portion of that address to appear in *The Empire Review*, and has himself corrected the proof.—[ED.]

a different state of things from that existing in the other European countries during the whole of the year 1913. From January to June the rate in Amsterdam ran practically on the same lines as in 1912, but from June to the end of the year the rate has been much higher than it was either in 1912 or 1911, so that the conclusion of the war has apparently had no effect on the money market in that city.

What has caused the rate in that market to be so much higher in the second half of 1913 than it was in the first half of that year? In the first half of 1913 the average gold holding of the Bank of the Netherlands amounted to about $13\frac{1}{2}$ millions sterling, against an average amount of discounts for the same period of about 13 millions, whereas in the second half of the year, the average amount of gold has only been about £12,300,000, against an average amount of discounts of about 14 millions sterling. We see, therefore, that more accommodation has had to be given on a less basis of gold. The gold holding has decreased about 9 per cent., while the discounts have increased about 7 per cent. The average ratio of gold to liabilities was about 50 per cent. in the first half of the year, and about 46 in the second half, and at the end of June the bank rate was raised from 4 per cent. to 5 per cent., at which it now stands. This is the explanation of the higher rate in the second half of 1913. Where has the gold from the Bank of the Netherlands gone to? It is generally understood that the depletion of the Dutch Gold Reserve is due to the operations of the president of the Reichsbank.

This brings us to Germany. The German character, I think, calls for great admiration. Whenever the Germans make up their minds to do a thing, they do it, no matter what the cost may be. A wonderful example of this characteristic is the great development which has taken place in the German shipbuilding industry. Had not the German Government adopted a policy and found the means to encourage and assist private shipbuilding enterprise, Germany to-day would not be holding her present high position amongst the maritime nations of the world. When in 1879 Bismarck abandoned the policy of Free Trade, he made an exception in favour of shipbuilding, and still exempted from taxation all materials imported and used in that industry, and after protection, in order to keep up the prices of iron and steel in other parts of Germany, surplus stocks were dumped in the shipbuilding areas, and thus an additional stimulus was given to cheap production.

After having given protection to the German industries, he proceeded to convert the railways from private enterprises into State undertakings, and thus enabled the materials for building ships, such as steel, iron and timber, to be carried at the bare

cost of transportation. When we consider that the coal and iron centres of Germany are distant from the shipbuilding yards from 200 to over 1,000 miles, we see it has only been by indomitable determination that the Germans have succeeded in bringing their shipbuilding industry to its present proud position. Just as we have seen their determined efforts to develop their shipbuilding industry, we have witnessed during the past year the great efforts which they have made to profit by the lessons which they have learned during the Balkan crisis. Those lessons have convinced them, first, of the necessity to increase their army, and secondly, of the necessity to provide a basis, in case of need, for issuing large amounts of paper money in order to supply the means for placing that army in the field.

As to the first lesson, they are increasing their army by about 130,000 men, and the increased expenditure in regard thereto will amount to about 9 millions sterling per annum; in addition to this, there is to be an expenditure for military purposes of about 52 millions sterling to be spread over three years and to be provided largely by the principal industries of the country in the form of a war tax. The large industrial concerns will be called upon to contribute an amount equal to about 1 per cent. dividend on their capital, the larger banks will have to contribute about .8 per cent. and the smaller banks about .4 per cent. dividend on their capital. As to the second lesson, while they already had six millions sterling of gold in their war chest in the Julius Tower at Spandau, they have deemed it to be necessary to increase that fund by 12 millions sterling, consisting of an additional 6 millions of gold, and 6 millions sterling of silver, the acquisition of this increased amount to be spread over six years.

The operations by which this is to be accomplished are:—

(1) They will expend on the purchase of silver an amount of about £2,700,000, and out of this silver they will coin 6 millions sterling of token silver, and they will pay for the raw silver out of profits arising from the future coinage of silver. (2) They are issuing further notes to the amount of 6 millions sterling of denominations of about 5s. and 10s. each, and it is hoped these notes will permanently drive gold into the bank from the home circulation.

If these operations prove a success, 18 millions (12 millions of gold and 6 millions of silver) will be accumulated in the war chest. Under ordinary conditions, the Reichsbank is entitled to issue notes to the extent of three times the amount of cash held, consisting of gold, silver, treasury notes, and notes of other issuing banks on condition that bills of exchange are held against the two-thirds uncovered by cash; but, under the extraordinary conditions of a war, it is conjectural whether it would be compelled to provide bills of exchange against two-thirds of the

54 millions of notes which it would be entitled to issue against the war chest, and which issue would, of course, be in addition to the ordinary issue made on the basis of the cash in the Reichsbank.

We all know that during 1911 and 1912, great demands were made on the Reichsbank, particularly in the latter year, both for trade and for hoarding and the return of funds to other countries. The gold in the Reichsbank at the end of December 1911 amounted to about 36 millions, at the end of 1912 to about 39 millions, and at end of December 1913 to about 59 millions. The ratio of gold to liabilities at the end of December, 1911, was 24·5, at the end of December, 1912, 23·7, at the end of December, 1913, 35·0. The discounts at the end of December, 1911, amounted to about 95 millions, at the end of December, 1912, to about 110 millions, and at the end of December, 1913, to about 79 millions. So that between 1912 and 1913, the gold has increased by about 20 millions sterling or about 50 per cent.; the ratio of gold to liabilities has increased about 11 per cent. The discounts have decreased by 30 millions or about 27 per cent.

At the meeting of the shareholders of the Reichsbank at the beginning of 1913, President Havenstein said he intended to increase the general stock of gold in the bank at least 20 millions sterling, and experts were sceptical, having regard to the conditions of trade, as to whether he could accomplish this. As I have just pointed out, he has accomplished it. How has he acquired this increased amount of gold? He has had two difficulties to overcome, one being to prevent gold flowing out of Germany and the other being to induce gold to flow into Germany. To accomplish the first he has adopted three methods. The first method has been, of course, to maintain the bank rate at 6 per cent. up to the end of October. The second method has been to sell exchange on London when he was being overcome by the high rate. If he could not succeed by these two methods in driving the exchange away from gold point, then he held a "blunderbuss" at the head of any banker who attempted to take gold away.

When goods are exported, exchange is sold and the rate goes down. When goods are imported, exchange is bought, and the rate goes up. German exports for 11 months of 1913 show an increase of 55 millions sterling over the same period last year, and the imports have increased 18 millions. The total exports for the 11 months have amounted to about 456 millions sterling, and the imports to about 488 millions, showing an import balance of about 32 millions. The tendency of the exchange, therefore, as shown by these figures, has been to rise above parity, but as the import balance last year for the same period was about 68 millions, the

tendency for the exchange to rise has not been so great this year as it was last year, so that the president of the Reichsbank has had an easier task. Another important factor which the president has had to contend against has been a rise in the exchange due to the drawings of New York on Germany, the proceeds of which had to be transferred to London.

Coming now to the second difficulty: How has gold been induced to flow into Germany?

Before gold can flow into Germany in accordance with economic law, the exchange must fall below the parity of 20·43 (by parity we mean that 20·43 marks contain the same amount of gold as one sovereign), and taking gold at 77/9¼ per ounce as the basis, the exchange should fall to about 20·40 to make gold imports into Germany possible without loss. The exchange during the whole year has not fallen below 20·41; therefore, shipments of gold to Germany during the year have not been in accordance with economic laws. She took gold from England in March to an amount of about £1,426,000, and at the latter end of May and in June, she took about £3,200,000. During both of these periods the exchange did not touch parity except in one instance, when it fell half a point below parity. She took about £550,000 in the first week of September when the exchange was again above parity, and in the second week of September she took about £500,000 when the exchange was a little below parity, but not sufficient to produce a profit. In the aggregate, she took £7,000,000 of gold practically at a loss. Here we have another illustration of German determination. The president of the Reichsbank made up his mind to increase the bank's stock of gold, and he has done it even though it has been at a loss.

While Germany has been taking gold from London, she has also been taking gold from South America. It has been stated by the president that the reason for the reduction of the bank rate in Germany, was that trade is decreasing and Stock Exchange speculation has been less. That there has been decreased speculation is shown by the figures of the eight Berlin banks, from which we see that Stock Exchange advances have fallen from about 52¼ millions sterling, the highest amount in 1912, to about 33½ millions, the lowest amount in 1913. As far as we can see, the statement that German foreign trade is decreasing is not borne out by her export figures, as in every month from January to October exports have been higher than they were in 1912. As regard imports, there was only one month, namely March, in which the figures were not higher than last year. Notwithstanding this, discounts and advances in the Reichsbank since July have been less than they were last year, and this would seem to point rather to a falling off in internal trade. Reviewing the

weekly statements of the Reichsbank for the whole year, we see the note circulation has been higher than in 1912, but such increase has not resulted from any increase in the discounts. In order, therefore, to account for the increased circulation, we must seek for another reason than increased trade, and we believe such reason to be that the bank has put out the additional notes for the purpose of driving in gold from circulation, and this appears to have been done to the extent of about 8 millions sterling. Taking into account the gold imported from this and other countries, amounting to about 12 millions sterling, together with the 8 millions taken by the bank from circulation by the issue of additional notes, we arrive at the total increase of 20 millions in the stock of gold as desired by the president, and this is exclusive of what has been transferred to the war chest, which would appear to be about £3,800,000. It is interesting to note that in order to further facilitate the centralisation of the gold the salaries of State employees, amounting to approximately 40 millions sterling per annum, are now partly paid in small notes instead of in gold as formerly.

In the financial history of Germany there is another feature which is worthy of note. During the war of 1870 notes as small as the equivalent of £1 each were issued in France. The whole of the notes of the Bank of France were, at that period, made legal tender, and specie payments were suspended. About three years ago, when the charter of the Reichsbank was extended, its notes were also made legal tender, and should Germany again become involved in war, she would, no doubt, adopt the same policy as France adopted and suspend specie payments.

Coming now to France, the index of the money market in that country is, of course, the weekly balance-sheet of the Bank of France. In examining that statement, we must remember there is no specific law as to the proportion of gold to be held against the note issue, this being left to the discretion of the controllers of the Bank. In this respect, it is conducted on different lines from the Reichsbank, inasmuch as the latter has always to maintain an amount in metal equal to about one-third of the total notes issued. In the case of the Bank of France the notes are secured by, first, gold and silver; secondly, by bills of exchange; and thirdly, by special loans; so that the aggregate of these items must equal the total notes issued.

In the French system, the metal against which notes are issued consists of about 25 millions sterling of silver token coins and about 135 millions sterling of gold, both the gold and the silver 5 franc pieces being legal tender.

At first, we might conclude that France was working under a system of bi-metallism, but such is not the case, because the

coinage of silver is exclusively in the hands of the Government. The silver coins are for use internally, while the gold is for use internationally as well. As the silver five franc pieces are legal tender, the bank notes are payable in those coins, and although the notes are also payable in gold internally, yet when the bank wishes to preserve its gold, it has the right to pay in five franc pieces, of which it avails itself. Like the Reichsbank, the Bank of France has a "blunderbuss" which it is quite ready to use against any banker who seeks to take gold against the will of the governor. In France, as in Germany, this "blunderbuss," on occasions, prevents the operation of economic laws. In other words, when the exchange is so high that gold would, in the ordinary course, flow out, it may be prevented by this instrument of terror. Since the period of the Second Empire, notes of the value of about £2 each have been issued, and the circulation of these small notes has, of course, had the effect of driving gold into the Bank. The total issue of these £2 notes now amounts to about £32,000,000. The discount rate in Paris during 1913 until the middle of November has been about 4 per cent., while during the greater part of this period in 1912 it did not rise beyond 3½ per cent. From the middle of November up to the end of the year, the rate ran from 3½ to 4 per cent. The discount rate in London has, during 1913, fluctuated between about 3¼ per cent. and 5 per cent., while in Berlin it has fluctuated between about 4 per cent. and 6 per cent. We must, therefore, come to the conclusion that the operations of the Bank of France are more beneficial to the trading community than the operations of either the Bank of England or the Reichsbank.

On a former occasion * I stated that the discount rate in this country had waged war on the net return obtained from consols, and that latterly the income derived from the discount of commercial bills had been larger than the income from consols, with the result that a fall in the price of consols had taken place with a consequent loss to holders. In order to avoid these depreciations, sales of consols by banks and other companies have taken place. The average return from the discounting of bills of exchange in London during the year 1913 has been about £4 7s. 6d. per cent., and in Berlin it has been about £4 19s. 5d. per cent., while the average return from consols even at the low prices which have been ruling during the last month, and after deducting the income tax, has only been about £3 4s. per cent. Comparing the net return from French rentes with the net return from consols, we find the former have yielded, on an average, during 1913, about £3 9s. per cent., but French bankers, like others, always seek to get the highest return on

* January, 1912.

their resources, and in order to do this they have no doubt transferred considerable funds from rentes to English and German bills of exchange, which, as we have seen, have given them about 18s. 6d. per cent. and about £1 10s. per cent. more income respectively. This, I think, may have been an important factor in depressing the price of French rentes during the year.

EDWARD H. HOLDEN.

FARMING IN RHODESIA

It cannot be doubted that there is a growing need of a new source of meat supply. The great ranching areas of the world are always tending to shrink. The plough invades the pasture, and the prairie is brought under closer settlement. Moreover, as the standard of living rises in all civilised countries, more meat is consumed. During the last ten years the population of the United States has increased 20 per cent., but the cattle have decreased 2 per cent. At the present time over 8,000 quarters of beef per week are being re-exported from Liverpool to America, while a few years ago England looked to the United States as the principal source of her beef supply. During the last five years the cattle in the Argentine have decreased by 2,000,000 head, and that country seems to have reached the limit of its meat production. In Southern and Northern Rhodesia there are 100,000,000 acres outside the settled areas available for stock-raising purposes, capable of supporting immense herds of cattle. Obviously, there is a great future before this industry in Rhodesia.

From the point of view of State-making and population, agriculture is more important than cattle-farming. The new land scheme of the Chartered Company contemplates a great work of closer settlement, based on scientific cultivation, mixed farming, fruit-growing and tobacco-planting, within twenty-five miles of the railway lines. But the cultivated and closely settled zone is bound to extend as time goes on. In the development of a country the ranch forms a middle stage between the wilderness and the ploughed land. The cattle feed on and manure the ground. Thus they are always turning sour soil into sweet veld, prairie land into land which is ripe for agriculture. The company's land scheme provides for both of these great branches of development—the extension of the ranching industry and closer settlement, by means of assisted colonisation, of areas ripe for this purpose. No other part of the Empire offers to the British settler more varied opportunities, combined with pleasing conditions of life, than Rhodesia.

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THE ROYAL PREROGATIVE

By C. STUART-LINTON

THE spectre of civil war looms larger than ever on the political horizon. For months the leaders of both parties have been talking of a settlement by consent, but so far nothing has been achieved. Yet there is at stake not alone the future of a kingdom but of a world-wide Empire. The issue is one that can no longer be confined to the people of these Isles, it vitally affects every subject of His Majesty.

What then is to be done? Is the United Kingdom in favour of the Home Rule Bill? The Prime Minister and Mr. Redmond say, Yes; the leader of the Opposition and Sir Edward Carson answer an emphatic, No. The only way of determining the question is by a General Election or a Referendum on the specific issue. The Government, however, refuse to grant either the one or the other. They claim, without foundation, that in 1910 the country gave its approval not only to Home Rule for Ireland but to the very measure now before Parliament. It has been suggested that the King should veto the Bill. On the other hand, many hold the opinion that the Royal veto is not a factor in the situation. His Majesty, however, has sworn to uphold the Constitution of these realms, a constitution which his present advisers are fast putting into the melting pot. If this country, therefore, can be said to have any shred of a constitution left the Royal Prerogative is still existent. Were this not so it might be said, and said truly, that, from a limited constitutional Monarchy, the State has become an oligarchy, with a single Chamber, governed by a group of men called the Cabinet, a situation unknown to the legislation of this country.

Having then a Monarchy, let us jealously preserve the Royal Prerogative in order to counteract the oligarchical tendencies which have manifested themselves within recent years in our

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sphere of Government. The influence of the Crown is now, more than ever before, vital to the welfare of the nation and the Empire. True the Royal veto on legislation has not been used since 1707, but the fact remains that the Sovereign can inform his Ministers as to any measure they propose to introduce that it is distasteful to him, and he refuses to give it his countenance. Should they insist, he can dismiss them. And should Parliament not support the new Ministry, it can be dissolved by the Sovereign, who can thus appeal to the country.

Since 1831, when the Lords threw out the Reform Bill and the Cabinet advised the King to dissolve Parliament, it has been the custom for the monarch to give effect to the advice of the Cabinet when supported by the nation. But is it not a matter of grave doubt, whether the advice given by His Majesty's present Ministers is supported by the nation? Furthermore, it is not definitely decided that the King must always give effect to the advice of his Ministers. In ninety-nine cases out of a hundred, it is no doubt right that the Sovereign should conform to what has become the general practice. But that it should be made a certainty in every case is detrimental to the proper balance of our Constitution. One thing, however, should be realised, that even though Ministers have the confidence of the House of Commons, but not that of the nation, it is the privilege of the Crown to dissolve Parliament and appeal to the country. Mr. Dicey in 'The Law of the Constitution,'* says, and says truly:—

“The essential point to notice is that these contests each in effect admit the principle that it is the verdict of the political Sovereign which ultimately determines the right or (what in politics is much the same thing) the power of a Cabinet to retain office, namely, the nation.”

And as to the Cabinet. It is unknown to our laws. About the beginning of the eighteenth century the term was given to the group of Privy Councillors with whom the King more particularly took counsel on affairs of State. Thus the so-called Cabinet usurped the executive functions of the Privy Council. It has therefore become the general opinion that the Privy Council has ceased to be an Advisory Council of the Sovereign, but only continues to meet for the purpose of making Orders, issuing Proclamations and being present at formal acts of State. If at least one of these functions does not consist in advising the Sovereign, then what about its Judicial Committee? Its very words when rendering a decision are: “Humbly advises His Majesty” that an appeal should be allowed, or dismissed, or a judgment varied. Surely the retention of this formula shows that the Privy Council still possesses its right to advise the

* Page 361.

Sovereign even though that right may have remained to some extent dormant? The Privy Council for centuries was a council to advise the monarch long before the Cabinet was heard of. The principal duty of a Privy Councillor appears to have been to "advise the King according to the best of his cunning or discretion."

That the King's name must not be dragged into party politics all will admit. His Majesty is above party, and shows no partiality to either side. But as to whether, in the present grave condition of affairs, the King should not intervene as between the two parties in order to obtain the considered judgment of the nation on the vital question at issue, that is altogether a different matter. In such a crisis the monarch should, in my humble opinion, intervene. In this connection let it be realised that the strongest party in the House of Commons opposes the Home Rule Bill; that, in the main, bye-elections have shown the Government is fast losing ground; that the Government's majority is an artificial one, and with a redistribution of seats would probably be wiped out; and, finally, that the General Election of 1910 was not fought on Home Rule.

Surely in view of all these facts the intervention of the Sovereign, the one remaining check in our battered Constitution, should be used. The Sovereign, I submit with all respect, can inform his Ministers that he intends to seek the advice of his Privy Council, a non-partisan body. The Council, no doubt, will advise His Majesty that it is sceptical as to whether His Majesty's Ministers, who have still the confidence of the House of Commons, have also the confidence of the nation; and that the one and only way of testing the matter is by dissolving Parliament and appealing to the country.

Let us trust that the medium of the Crown will at length steer the ship of State past the rocks into port, and thus earn the eternal gratitude, not of a party, but of a nation and an Empire.

CHARLES STUART-LINTON.

FOREIGN AFFAIRS

BY DIPLOMATIST

FORTUNATELY for the peace of Europe and particularly for ourselves, the month just closing has been a quiet one as regards international politics. Moreover, the outlook on the political horizon is peaceful, and there is every prospect that the present cycle of fair weather will continue. This is not only my verdict; it is the verdict of the interviews that have taken place between the German Emperor and the Emperor Franz Joseph at Schoenbrunn, and between the Kaiser and the King of Italy at Wien. And I doubt not that the same verdict will result from the meeting between the German Emperor and the Czar announced to take place in the Baltic during the coming summer. Indeed, all things point to a spell of smooth water for international politics following the signing of the treaties to which I called attention last month.

For a few days the outward and visible signs of friction between Russia and Germany seemed to betoken anxiety. But if the old adage of there being no smoke without fire found some adherents, and the German press appeared to be going a little too far in condemnation of Russia, the timely statement from St. Petersburg nipped anything like a campaign in the bud, and matters soon resumed their ordinary course. That Russia has no wish to quarrel with anyone at the present moment needs no demonstration, but that the feeling between Russia and the two allied Powers is not one of entire unity on all points of foreign policy is generally admitted. Germany and Austria-Hungary are not alone in watching the activities of Russia during her convalescent stage. Great Britain also thinks, although not officially, that Russian aims and objects are being pushed, especially in Persia, a little too far in a direction opposite to that of the open door and integrity policies, but Great Britain prefers a wait-and-see attitude rather than saying, much less doing, anything likely to upset the *entente* or to lead Russia to suppose that her criticism is anything more than the advice of a friend.

In far-off Japan domestic difficulties have had a disturbing

effect on the Japanese Government, and China and things Chinese cannot be said to have remained altogether placid. Perhaps the country that has loomed largest in the British mind of late is Mexico. The foul murder of Mr. Benton remains unavenged, and the indignation the incident aroused against the attitude adopted by the United States has not yet subsided. That Power ought long ago to have restored the *status quo* in Mexico, and the fact that American citizens have suffered side by side with British citizens offers no excuse for the refusal to intervene by force. The present situation reflects adversely on the reputation of the United States as a world Power, and has put back the clock in South America by a decade.

In the near East there is a lull both in events and antagonisms. Turkey is pursuing the even tenor of her way, and negotiations are still proceeding between this country and Germany towards a settlement of political and economic interests in Asiatic Turkey. One is glad to see that an agreement has been come to between ourselves and Germany as to the much debated matter of the oil supply in these regions, and it may be assumed that this is but the forerunner of other arrangements composed on a similarly amiable basis. In fact, everything points to a new era of friendship between the two Powers. Since the inception of the Ambassadors' Conference great progress has been made in this direction. Both Powers were appreciative of each other's desire to maintain the peace of Europe, and both Powers did everything possible to secure this much desired end.

With all the cards on the table open and free discussion was possible as it had never been before, and it was soon manifest that the finding of a common platform was not so difficult as anticipated. It would be most unfortunate were anything to occur to put even a temporary stop to these pleasant relations, and one may rest assured that Sir Edward Grey is ever watchful to see that no untoward incident happens to create misunderstanding and sow the seeds of discord. Sprung from the same stock, animated with the one desire to advance the cause of civilisation, the two peoples are by nature destined to go forward together, and one can only hope and believe that freed from all causes of political and economic friction, a friendship will follow that will not only be closer than the old friendship, but will stand the test both of time and adversity.

The fact that two days' debate on Naval Estimates at Westminster raised no hostile note in the German Press may be taken as a sure indication of the way the wind is blowing in Germany. And a similar reticence on the part of writers in the British Press when the German naval estimates were before the Reichstag shows that the policy of pinpricking on this side of the Channel

has at last disappeared. It is now fast being recognised by the peoples of both countries that neither the British nor the German navies are being built for purposes of aggression, but in order to protect trade and interests political and economic oversea. Moreover, Grand Admiral von Tirpitz and his department readily admit that it is just as necessary to Great Britain that she should be supreme at sea as it is that Germany shall possess a large and efficient standing army. That the two Powers should come to an agreement as to what should be the ratio of their navies or their armies is absurd and unworkable. Let each nation work out its own salvation. Any departure from this policy cannot fail to be against the interests of peace. There is nothing a country dislikes so much as dictation from outside, and depend on it any interference with the naval policy of Germany will be just as much resented by the people of Germany as would similar interference by Germany in the naval affairs of this country. All the same we have a duty to perform, and that duty is to see the British navy is ready and able to meet and defeat at any moment the naval forces of any possible combination that may be brought against us.

Unfortunately for us that is not our position to-day. The First Lord of the Admiralty plays too much to the gallery and is too anxious to secure the vote of the Little England section of his party to be trusted implicitly with the control of our first line of defence. His standards are frequently changed and never maintained. His naval policy is of the weathercock description. He pays great attention to the immediate waters he finds himself in, but neglects the requirements of the seas the fleet has to travel. For instance last year when criticised on his naval policy in the Mediterranean, he gave us to understand that in the event of an emergency we might depend on the help of France, although he has since been bound to admit there is no corresponding obligation on our side so far as France is concerned. Could anything be more unstatesmanlike than that the British navy attacked at its average moment by another Power at its selected moment should have to rely on the help of a foreign Power, however friendly that Power may be? That the highway to India, Egypt and Australia should be defended by a country with whom we have not even an alliance!

We are now told that all the while the First Lord was telling us this story, the Cabinet were making arrangements of a more patriotic and practical nature. But be that as it may nothing can take away the statement he made to the House of Commons to the effect that he relied on France in an emergency to defend British interests in the Mediterranean. It did not occur to him I take it, that such a pronouncement was hardly likely to assist

in bringing about more friendly relations between this country and Germany. These amateurish policies spoil all statesmanlike effort. Let me give the First Lord warning that we as a nation have no intention of handing over to France the defence of half our food supply in the event of finding ourselves at war with some other nation, and we do not propose to tolerate any such arrangement as the one he has outlined for our acceptance. If for no other reason than that such a suggestion as that contemplated by the First Lord would be fatal to closer friendship with Germany. It would be a case of Morocco over again. And the sooner this is impressed upon him the better for the security of the country and the peace of Europe.

Sir Edward Grey made an important statement in the course of an interesting debate on the position in the Mediterranean the other night in the House of Commons. He said, "You cannot lay down such a standard for the Mediterranean as that we should keep there a force, which would be superior to all the other foreign ships kept there. You cannot do that, and if you cannot what standard are you going to keep up? Your standard obviously must be a standard which will be equal to any probable combination which you are likely to have to meet." And he added. "It is not true to state as an absolute unqualified truth that your naval strength is dependent on your foreign policy. Obviously, it is the other way, *your foreign policy must depend upon your naval strength.* (The italics are my own.)

By way of explanation Sir Edward Grey said:—

I only make these remarks because I have so often heard it said that armaments depend upon policy that I think one must now and then assert what is at least as true on the other side, that policy must have some relation to armaments. I do not mean by that that it is necessary that we should get into diplomatic entanglements or go the length of making our position absolutely dependent upon hard-and-fast alliances which may entail upon us hard-and-fast obligations, and which would make us lower our strength to such a point that we should depend not merely upon a sane and progressive foreign policy, and a cordial foreign policy, towards some foreign Powers, but that we should depend for things that are vital to ourselves, not upon our own strength, but upon support being forthcoming at some particular moment from foreign Powers. But it must be remembered when the House deals with foreign policy, that you must have naval strength in mind, and that the House must expect that the Government of the day will preserve relations, and continue to preserve relations, with the other Powers of Europe which will make it perfectly clear that we are not drifting into the position of having a possible combination of Powers which is greater than our own naval strength.

I must confess the explanation is somewhat involved, but one thing is certain: it throws over the First Lord's statement as to British naval policy in the Mediterranean being worked in conjunction with the naval policy of France. For Sir Edward Grey especially says we must not get into diplomatic entanglements that would cause us to "depend for things that are vital to ourselves, not upon our own strength, but upon support being forthcoming at some particular moment from foreign Powers." With regard to the statement made by the Foreign Secretary of State that "our foreign policy must depend upon our naval strength," it opens up many questions of interest. Prominent amongst these is the necessity of a better understanding with Germany, because if we had the same understanding with Germany as we have with France and Russia, we should no longer have to consider Germany in any possible combination the British fleet would be likely to meet. A similar understanding with Austria-Hungary and Italy, and the peace of Europe would be secure. Then would be the time to introduce the subject of a naval holiday, for it might then be fairly argued that it would be useless building ships if there was no longer any possible combination to meet.

On the question of Turkey's future it is very satisfactory to learn from Sir Edward Grey we have the most explicit assurances that the Turkish Government desire to put their own house in order, that they have no aggressive designs on the present settlement in the Balkans or of engaging in warlike operations in Europe. This being so, there can be no possible objection to anyone lending money to the Turkish Government for commercial reasons, and doing so without any political objections being raised. And that it will be necessary for Turkey to raise money goes without saying.

Passing on to discuss Armenia Sir Edward said:—

A reform scheme for Armenia has advanced to a stage at which I believe it has the consent of the European Powers, which is essential, as well as that of the Turkish Government. I trust that very soon it would take concrete shape, and when it takes concrete shape and I state to the House exactly what the reforms consist of, and what are the results of agreement between Turkey and the other Powers, I hope it will be borne in mind that it is much more important to have a scheme of reforms under which, say, the Turkish Government takes two European inspectors and employs them in the Armenian vilayets, and which has the goodwill of the Turkish Government, than it is to have a reform scheme which on paper looks much better, but has not got the goodwill of the Turkish Government.

A reform scheme which has not the goodwill of the Turkish Government is one which is only going to be operative in proportion to the force which is behind it, and the continuous pressure which is behind it not on the part of one or two Powers but of all the Powers of Europe. The reform scheme which has been arranged between the Powers of Europe and the Turkish Government

is a scheme which is really going to operate, and in this case I believe the scheme when it is produced will be found to be not only more satisfactory on paper than was expected, but that it will be one which has the goodwill of the Turkish Government. It is in that sense their scheme as well as the scheme of the European Powers, and it will be found that the present Turkish Government have realized how much they have lost in Europe by bad government in Macedonia and in the territory which they have lost, and how essential it is that they should apply to their future government the lessons which have resulted from the adversity which has overtaken them. Therefore the scheme of reform will start with Turkish goodwill in the sense that it has not had before.

Another matter of special interest in connection with the settlement in the Near East is that of the *Ægean* Islands. Here the Powers have had to bear in mind the strategical effect which recent changes with regard to these islands might have on the Mediterranean position generally. Having this end in view, the Powers agreed to the suggestion made at the Ambassadors' Conference that no one of these islands shall be permanently occupied and maintained by the Powers or by any one of them. In the case of the islands now in Italian occupation, and which have to be restored to Turkey under treaty obligations, the Powers have decided these islands should go to Turkey. Tenedos, because of its strategical importance to Turkey, reverts to Turkey, and Mitylene and Chios are to remain with Greece.

The difficulties in connection with the New Hebrides remain unredressed. The suggestion of partition is being put forward in some quarters, but such a proposal is not likely to meet with support in Australia. Nor would it be possible to carry on the government of the islands if they were placed under divided control. There is but one solution, and that is to buy out the French and to ask Australia to pay the price, handing over the islands to the Commonwealth, and leaving the administration in the hands of the Federal Government.

In conclusion, foreign nations find it difficult to understand the situation of affairs in the United Kingdom. That the First Lord of the Admiralty and the Minister for War should have taken the reins into their own hands and endeavoured to make war on Ulster without the knowledge of the Prime Minister is regarded as a most dangerous precedent for constitutional government. The attitude of Mr. Asquith is equally puzzling. But perhaps the most farceful phase of the whole conundrum is the Prime Minister going on his knees to two officers and begging them to withdraw their resignations, and when he finds these overtures not exactly pleasing to the officers in question postponing his statement in Parliament for three days till he is thoroughly satisfied the resignations will or will not take place. Foreign nations, like ourselves, have always asserted that one of

the main functions of a government was to govern; they fail to grasp the true inwardness of a policy which allows the function of the Prime Minister to be usurped by his subordinates, and officers of the Army to be asked in advance what course they propose to take in the event of certain eventualities arising.

In the opinion of the *Berliner Tageblatt*, "the English Liberals are defeated. The Home Rule Bill will not take effect. The people will have to vote again on the question of Irish self-government." "Perhaps a statesman could have saved the situation," says the *Tageblatt*. "Strength was the one thing which was wanted in this most critical of all moments for the Liberal domination, and it was just at this moment that weakness was shown."

DIPLOMATIST.

OLD FRENCH CANADA

ITS "HABITANTS" AND ITS "SEIGNEURS"

BY LADY JEPHSON

(Author of 'Letters to a D ebutante' and 'A French Canadian Scrap-Book')

THERE is little analogous to either England or America in the picturesque old city which crowns the great Rock of Quebec. The grey stone houses, with their silvery roofs, the towers and spires seem to cling at places to an almost perpendicular rock. Unlike our beautiful cities of the Old World, which owe much to their glories of architecture, Quebec can show no wonder in stone wrought by man's hand. In sheer natural beauty of situation it yields the palm to none. Dominated by its fine old citadel, spreading itself along the top and down the face of a high cliff, with one of the grandest rivers of the world at its feet, and two mountain ranges within sight, you could not wish for a nobler spot. About Quebec lie pleasant drives and charming woods of maple, fir, silver birch and pine trees. At the back of the promontory, close to the site of the Intendant's Palace during French rule, a tributary river, the St. Charles, empties itself into the St. Lawrence.

Like Constantinople, the external and superficial aspect of Quebec is more striking than its internal. An average street is not a thing of beauty, and there is little of great merit to be found in the public buildings. The most remarkable thing about it is, that on a continent in which the march of progress spares nothing, ruthlessly destroying all picturesqueness, it yet remains old world in character and beautiful.

All of Quebec which is uncommon and ancient owes its inspiration to the French influence, which during 300 years has dominated the city. In the names of the streets (St. Louis, Ste. Ursule, Ste. Anne) you find the piety of the original settlers perpetuated. The early explorers are not forgotten, as the Jacques Cartier river and Champlain street testify. Louis XIV. and Cardinal Richelieu are remembered, and there remains much to justify Goldwin Smith's

description of Quebec as "a surviving offset of the France of the Bourbons."

Original architecture in Quebec was based on French models. After the early and rude wooden structures came houses of stone with steep pitched roofs and dormer windows, exactly what one sees to-day in any old town of Northern France. Seminaries, churches, and convents were reproductions of Norman or Breton buildings. Even the old *patois* of the *habitant* is said to be that in France during the reign of Louis XIV. What is modern and philistine in the city, commonplace and useful—the huge globes of electric light overhead, the trams, elevators, factory chimneys and wide streets—seem antagonistic to the hoary walls, the citadel, the gates, ramparts, and *glacis* of the old French capital.

Outside Quebec lie the Plains of Abraham, extending along the ridge of rock overlooking the St. Lawrence and commanding fine views of the opposite bank. The cliff goes sheer down to the river, and at its base are coves in which rafts of timber lie moored. One of the most picturesque sights imaginable is that of these great rafts floating down the river in the darkness whilst the lumbermen sit round fires and sing such songs as "*A la Claire Fontaine*" or "*En roulant ma boule*."

French-Canadian songs are more domestic and practical in theme than erotic, or imaginative. Take, for example, the Cradle Song:—

" Sainte Marguerite,
 Veillez ma petite!
 Endormez ma p'tite enfant
 Jusqu'à l'âge de quinze ans!
 Quand elle aura quinze ans passé
 Il faudra la marier,
 Avec un p'tit bonhomme
 Qui viendra de Rome ;"

or the pessimistic warning to girls about to marry:—

" Jeunes fill's, écoutez!
 Qui voulez-vous marier?
 Votre engagement
 Vous causera du tourment,
 Vous prenez un état
 De pein's et d'embarras;
 Bien souvent du chagrin," etc.

The course of the great river on which Quebec is situated is north-east and south-west. Between Murray Bay and Tadou-sac the St. Lawrence averages twenty miles in width, and nearer the gulf it broadens still more. The scenery of the northern bank is rugged and grand to a remarkable degree, mountains, forests of pine and firs, steep cliffs and bold rocky headlands are its

characteristics. The southern shores are tamer, more bucolic in character and better populated. Fields of rye and wheat stretch over the hill-tops; the country is fairly cultivated, and many villages are scattered along the river's bank.

The natural centre of all French-Canadian village life is the church, and round it cluster the small whitewashed houses with their green or red shutters, the avenues of poplars planted by the early French settlers, and the houses of the *curé*, *avocat*, apothecary and notary. Some of these villages are 200 years old. Outside them lie farm-houses built of wood on stone foundations. Hard by each house is its oven. A framework of short balks of timber three feet high, supports a foundation of flat stones. On this rests a cemented floor and an arched roof of clay, built very thick and closed from all outer air except where the iron door admits the loaves. While the good wife kneads her dough, Jacques Bonhomme kindles a fire of spruce boughs in the oven, and, when the entire thickness of clay is red hot, the oven is swept out, the bread put in, and the door shut, sometimes indeed sealed with moist clay. The *habitant* lives chiefly on rye-bread, fat pork, sour milk and potatoes. On Saints' Days and holidays madame treats her family to omelettes and pancakes, but fresh meat is little eaten.

No man is more blessed in his life's partner than the *habitant*, and the German *Hausfrau* with her petty economies and scrimping ways cannot compare with the thrifty, capable and yet open-handed French-Canadian. In remote parts she bakes her own bread, makes her own sugar, spins and weaves and sews—the blankets and sheets are entirely home-made, so are the huge feather beds and bolsters; even the carpets she makes of rags torn into strips, dyed bright colours and woven together with strong twine. Sometimes she labours in the fields, and is always responsible for the gardening, which is considered by the *habitant* to be an essentially feminine occupation. Every French-Canadian peasant is master in his household, and his women-folk are as a rule docile, gentle and obedient. Marriages in a land where the suffragette has not yet penetrated are extremely happy, and the woman finds her sphere of work enough for her energies and ambitions. Jacques Bonhomme is beyond all things a politician, but he does not take his wife into his confidence as regards questions outside the house and fields. Wherever you see a knot of men gathered together in earnest conversation, be sure that the topic is the last election or the most recent Bill passed. As to inventions for saving labour, the latest agricultural implement, or scientific manures, Jacques troubles his head very little about these. His farming is of the most primitive description, and he justifies his ignorance and

lack of enterprise by the excuse that what was good enough for his forefathers is good enough for him.

The French-Canadian peasantry are deeply religious, superstitious, thrifty, fond of money, honest, simple-minded and courteous. They love children and have enormous families, indeed the bitterest taunt at times of strife with a childless opponent is, "Où donc est ton berceau?" A law was passed some years ago granting 200 acres of land to every peasant possessing twelve living children.

All about the Lower St. Lawrence the fields are divided by snake fences. At intervals one sees by the roadside a rudely sculptured and garishly painted Calvary, and more often than not a pious peasant telling her beads before it. The "noisy geese" in French-Canadian regions, instead of "gabbling o'er the pool," waddle along the roads with huge wooden halters round their necks to prevent their getting through the fences and trespassing. Each cottage has its field of tobacco, wheat, rye, potatoes and Indian corn. Flowers are not neglected, though cultivated more for their brilliancy of colour than sweetness of perfume, and the favourites are dahlias, sunflowers, stocks and poppies. The *habitant*, be he ever so poor, owns a horse and *calèche*, and a common sight in remote regions is a stray horse in a wooden "poke" grazing on the banks of the road. The *calèche* is a high-wheeled hooded vehicle or carriage, the body of which is suspended by the primitive form of what we call "C" springs. The *cocher* sits in front on a narrow and slippery ledge and urges his horse to greater speed by constant admonition. He will also tell you to "*embarquer*," having many nautical expressions inherited from his forefathers who were principally Norman mariners. When the *habitant* falls ill, he places more faith in "La bonne Ste. Anne" than in the village apothecary, and usually makes a pilgrimage to her shrine. In the church of Ste. Anne one sees the walls covered with votive offerings. There is an immense amount of picturesqueness in the religious processions of the French-Canadians, as, for instance, the Fête of St. Jean Baptiste and the Fête de Dieu. All French-Canadians reverence their priest and pay their tithes with commendable punctuality. There are many men of learning and enlightenment among the priesthood of Canada, and as a rule their lives command respect. Seminaries and convents abound in the Province of Quebec, but while education in the seminaries is excellent, that of the convents is one chiefly of accomplishments without solid attainments.

Most *habitant* houses are built on the same plan, one handed down from French ancestors. The kitchen or living-room is cheerful and pleasant with its pitch-pine walls, its smoke-stained rafters and deep and wide chimney. Across the beams are placed

narrow rods from which hang fitches of bacon or salt pork. In one corner is usually a steep staircase or ladder which leads to the loft above. In another stands the spinning-wheel, over the chimney is a cross painted black, and few cottages are without crude chromo-lithographs of the Madonna and Child, "Ecce Homo" and the portrait of the reigning Pope. Doors open from the kitchen into small bedrooms furnished with big four-posters and feather beds, and carpeted with the pretty rag carpet called "Catalan." On the whole the lot of the French Canadian peasant is not a bad one, and his lines are cast in tolerably pleasant places.

The upper classes of French-Canadians are most of them descended from noble forbears. When times were bad in France many of Louis XIV.'s *noblesse*, tempted by large offers of land in the new world, emigrated. These grants were called *seigneuries*, and were chiefly on the shores of the St. Lawrence below Quebec, and in the districts of the Richelieu River. The settlements of Chambly, Sorel, Verchères and St. Ours date from this time, and the de Lotbinières, the de Longueuils, the de Salaberrys and the de Gaspés of to-day are descendants of Louis XIV.'s *noblesse*. By law the seigneurs or landowners in Canada were obliged to concede lots on their properties to people who wished to settle there. These settlers were known as *ceusitaires*, because their allotments were usually one hundred arpents in extent. They paid their seigneurs annual tribute, such as a goose, a pair of fowls, one fish in every eleven caught, and were forced to give a fixed number of days' work in the year for the benefit of their lord. This system of seigneurial tenure, which granted many and curious privileges to the seigneur, was only entirely abolished in 1854.

That the *ancienne noblesse* of Canada lived in tolerable comfort we know from contemporary evidence, such as de Longueuil's patent of nobility in the archives of the Superior Council of Quebec. It states that Charles Le Moyne, who left France in 1640 to live in New France, had been conspicuous for his "valour and fidelity," and it winds up with Louis XIV.'s command that he "shall enjoy the right of arms, heraldry, honours, prerogatives, rank, precedence in time of war, in meetings of the nobility, etc., like other barons of our Kingdom." His house is described as "A fort supported by four strong towers of stone and masonry, with a guard-house, several large dwellings, a fine church bearing all the insignia of nobility, a spacious farmyard, in which there is a barn, a stable, a sheep-pen, a dove-cot and other buildings." That the seigneurs of Canada did not starve in those far-off times we gather from M. de Gaspé's book, 'Les Anciens Canadiens,' and in particular from his chapter, "Un Souper chez un Seigneur

Canadien." After describing the furniture of the dining-room, and the appointments of the table, he goes on to say: "The meal began with an excellent soup which was *de rigueur* both for dinner and supper. Next came a cold pasty called *pâté de Pâques*, which was served on account of its immense size on a board covered with a napkin or white cloth. It contained a turkey, two chickens, two partridges, two pigeons, the backs and the legs of two hares, the whole covered with slices of fat bacon. Besides all these, two hams were made use of in the pie as well as big onions sprinkled here and there, and fine spices, chickens and roast partridges covered with double layers of bacon, pigs' feet *à la Sainte Ménéhoulde* and a *ragoût* of hare were among the other dishes the hospitality of the Seigneur de Beaumont could offer to his friends. A pile of old blue china plates, two decanters of white wine, two tarts, a dish of *œufs à la neige*, another of cakes and a jar of jam were placed upon a table covered with a snowy cloth close to the sideboard." The mistress of the house, M. de Gaspé tells us, "gave the place of honour to the venerable *curé*, whom she put on her right hand." In a chapter called "*Le Foyer Domestique*" M. de Gaspé describes a guest at one of these banquets improvising the following song:

"Dans cette petite fête
L'on voit fort bien, l'on voit fort bien
Que Monsieur qui est le maître
Nous reçoit bien, nous reçoit bien,
Puisqu'il permet qu'on fasse ici
Charivari! Charivari! Charivari!

"Versez-moi, mon très cher hôte,
De ce bon vin, de ce bon vin,
Pour saluer la maîtresse
De ce festin, de ce festin,
Car elle permet qu'on fasse ici
Charivari! Charivari! Charivari!

HARRIET J. JEPHSON.

AUSTRALIAN TRADE UNIONISM ON THE WAR-PATH

By F. A. W. GISBORNE

A GRAVE industrial crisis now threatens the welfare of Australia. Two of the leading industries of the continent are simultaneously menaced by the strike plague in its most virulent form, and up to the present time all preventive measures have failed to avert the visitation. After a number of sporadic outbreaks, in the main confined to Sydney, a city now rapidly becoming the industrial storm-centre of the Commonwealth, the whole body of organised waterside workers, acting under syndicalist influences of a peculiarly malignant type, has apparently resolved to force a decisive conflict on the various shipping companies.

The prosperity of Australia depends almost entirely on its over-sea trade. A continent so sparsely peopled must necessarily export raw material and import manufactured goods in exchange. Close the sea gates, and foreign trade must cease; and the cessation, if protracted, must entail ruinous losses on those engaged in the producing and distributing industries, and inflict the greatest inconvenience on the public generally. The leaders of the meditated attack calculate that a community, rather than suffer such privations, will be prepared to pay a high price for permission to use its own harbours for the purposes of trade. The self-constituted harbour-masters are determined that the price shall be high, as will be apparent to all who take the trouble to study the ultimatum, or "log," just submitted by the officials of the union of waterside workers in the Commonwealth to the representatives of the shipping companies. A brief synopsis of this remarkable document will presently be placed before the reader.

At the outset it should be mentioned that, under a recent agreement between the representatives of both parties, the men employed on the Sydney wharves, where the whole trouble began, received very substantial concessions. The ordinary rate

of pay per hour was raised to 1s. 6d., 50 per cent. being added for overtime. Eight hours, of course, constituted the working day, and a minimum wage of 12s. per diem should, one might have supposed, have been considered sufficient remuneration for labour of a not extremely arduous or intellectual kind. Not many years ago the London dockers, we all remember, struck—with some justification—for a poor sixpence an hour; and probably not a few members of the learned professions in European countries would be overjoyed were they guaranteed the income now received by the Australian lumper. The increased rates were granted by the employers in consideration of an explicit undertaking on the part of the men that no fresh demands should be made for at least three years. In point of fact, those increases were solicited in direct breach of an agreement then subsisting. But Punic faith has become characteristic of trade-unionist tactics within late years. Expediency with those bodies has usurped the place of honest dealing. Masses, unfortunately, have little to do with morals; the collective conscience is not subject to the inconvenient restraints imposed on that of the individual. It is still true that—

Crowds can wink, and no offence be known,
Since in another's guilt they see their own.

The new trade unionism differs from the old in that it postulates perfidy as always warranted by self-interest. In this respect, at least, the term "industrial war" is only too fully verified.

The moderation of the fresh demands laid before astonished ship-owners as a seasonable New Year's gift will be judged from a cursory inspection of the "log" that embodies them. First of all, it is claimed that the minimum rate of wages to be paid to wharf labourers, without discrimination, shall henceforth be 2s. per hour. Where obnoxious kinds of cargo have to be handled, another shilling must be added by way of nasal, or other damages. When work is done on Sundays or special holidays the self-denying, or irreligious, toiler is to be rewarded with 10s. per hour. This provision seems hardly likely, on one side at least, to encourage reverence for the Sabbath. But perhaps consciences are cheap when hired for twopence the minute. Humanity in future is to be strictly tempered by business. Should a wreck occur, and the services of wharf labourers be needed to save life or property, remuneration must be granted to each member of the salvage party (if a unionist) at the modest rate of 5s. per hour; and compensation for injury to clothing is assessed so liberally that, granting a few seasonable marine accidents yearly, every lumper, it may be expected, will soon be provided with a

tall hat and frock coat. Payment also, at full rates, is to be made during interruptions of work caused by rain or any other special reason, as well as during the four "smoke-ohs" of half an hour apiece stipulated for during each period of twenty-four hours. Sweet, at least to the wharf labourer, will be the uses of tobacco! The weights and sizes of bags and packages are also rigorously limited; and, so that there may be no poaching on exceedingly rich preserves, neither seaman nor non-unionist is in any case to be employed to load or discharge merchandise.

Finally, should a labourer be injured while engaged at work, even through his own carelessness, he is to receive from his employer so long as he remain incapacitated a weekly allowance of 35s. The maximum amount reached by such payment, it is considerably added, shall not exceed in any single case the sum of £600. The prospect of receiving so handsome an invalid pension for more than six years in the event of an accident might conceivably make a speculative worker rather reckless in his movements. In the event of a fatal accident the lump sum of £600 is to be paid to the victim's nearest representatives, without prejudice to any legal rights they may have of exacting more.

Such are the most salient provisions contained in the sixty-one clauses of this new industrial Magna Charta. Leaving King John, the ship-owner, to rub his eyes over it, and possibly indulge in expressions of a peculiarly nautical character, I pass on to a consideration of a second document of an unpleasing kind almost simultaneously presented to—or rather at—the Australian agriculturist. It must be conceded that the leaders of the Rural Workers' Union have shown less enterprise than their brethren on the wharves. The rustic imagination seems to be deplorably lacking in the useful quality of avarice, and to be quite painfully moderated by common sense. All that is asked for the casual farm labourer is a minimum wage of 8s. 4d. a day, plus keep. Permanent hands are to get from 25s., the wage prescribed for boys and girls under seventeen employed on dairy farms to 60s. a week, with board and lodging, ordinary public holidays, and a yearly fortnight for recreation purposes on full pay thrown in. Daily rates, however, in some cases run up as high as 15s.; and for all classes of labour on farms, stations and orchards the average weekly wage, with keep, demanded by the "log" comes to about 35s. Should free board and lodging not be provided, an additional 16s. per week has to be paid; and, where the farm hand is only temporarily employed, he must receive another 6s. The farmer, therefore, who finds that he has engaged a lazy or incompetent man will be required to pay him extra in order to get rid of him—a provision hardly likely to encourage industry.

That the granting of concessions of the kind just indicated must conduct the average farmer to the Court of Bankruptcy rather than to that of Cræsus seems fairly evident. Australian agriculturists, as a whole, to-day do not suffer from a plethora of wealth. Seasons and prices vary; owing to a hostile tariff, enormous charges have to be met on account of the purchase of necessary implements and machinery; and freights all through are very high. The wheat-grower in particular is dependent on foreign markets for his profits. If there is to be a minimum wage, in common fairness there should also be either a minimum price adjusted to the cost of production, or a minimum standard of work. But the trade union magnates, for very sufficient reasons, guarantee neither. They are as superior to the laws of political economy as to those of ordinary fair play. So far as they are concerned, the business of the farmer is only to pay munificent wages. As to the source from which the wage fund is to be derived, that is solely his affair. If it comes to the worst, he can engage in the study of alchemy—let us hope, with advantage. At all events, his mental faculties will find wholesome exercise in the solution of the perplexing problem as to how to pay two shillings when he receives but one.

It is quite obvious to everyone acquainted with Australian labour policy that the simultaneity of the onslaught on shipping companies and agriculturists is no mere accident. The nationalisation of all means of production, distribution and exchange, as the sonorous phrase goes, is the professed object of the Socialistic party. Starve out farmers and ship-owners, and the State (which means the trade union official and politician) will be supreme both on land and sea—for a time. With this object an alliance has been formed between the Waterside and the Rural Workers' Unions on the basis of mutual help. The wharf labourers can bring strong pressure to bear on farmers by refusing to handle their produce, should they prove obdurate, and refuse to employ union labour. The country labourers, either by "downing" tools or adopting "lazy" strike tactics, can give the farmers so much to do at home to save their crop that they will be unable to come to the rescue of the ship-owners.

Already one hears of wheat being branded as "black," and left to rot in sheds. Farmers are not popular in Australian labour circles, because they are, as a class, men of independent minds, and refuse to accept dictation. There is scarcely a purely farming constituency in the Commonwealth that returns a labour member to Parliament. This stiff-necked attitude towards the prophets of the new industrial dispensation naturally excites the resentment of men who are at least guiltless of the crime of independence; and the present movement, which is really aimed

rather at the agricultural than the shipping industry, is largely of a punitive character.

Biters, nevertheless, are sometimes bitten; and unconsciously, perhaps, the aggressors in the present case are conferring a real service on the very class they are assailing, as well as on the whole community. They have already compelled the two most powerful bodies of employers in Australia to enter into a defensive alliance, which may expand into a formidable coalition of all employers. They have alienated the sympathies of the great body of the public; and, what is even worse, are rapidly rendering themselves ridiculous. The spectacle of a small handful of mischief-makers, whose very names are unknown to nineteen persons out of every twenty, sitting in secret conclave in a Trades Hall and issuing Berlin and Milan decrees with a view to the commercial strangulation of a continent, suggests damaging comparisons. They are also estranging the confidence of large numbers of their own supporters by assuming a preposterous attitude without due authority. It is necessary to differentiate strongly between the official and the unofficial trade unionist. The latter, as a rule, is a decent, hardworking fellow, who joins a union for peace sake, and takes practically no part in the management of its affairs. The former nowadays is too often a mischievous and arrogant busy-body, who owes his position usually to the questionable activities of a small band of venal supporters skilled in the use of both tongues and fists. These gentry, like wolves, invariably hunt in packs, and use arguments for the conversion of heretics analogous to those formerly employed by the strategist of the Irish Plan of Campaign of evil memory. Authority resting on intimidation, however, always breaks down in the end. In New Zealand lately a pronounced schism took place in the ranks of the waterside workers and those of the Waihi miners. In each case the extremists were ignominiously beaten. A similar cleavage may at any time occur in the Commonwealth.

Farmers have proved the most effective strike-breakers and repressors of disorder in modern times. They crushed the revolt of the waterside workers in New Zealand not long ago, and the other day made their power distinctly felt as pacificators in South Africa. As a class, physically and morally, they are far superior to the city workers; and nearly all struggles are finally decided by physique and character. Already, in Australia, the countrymen are preparing to carry the war into the enemy's territory. In one farming district in New South Wales alone three thousand farmers have taken the covenant of mutual help in defending their common interests. They are prepared, should the wharf labourers refuse to work, to go themselves in sufficient numbers to the ports, and put their own produce on board ship; just as their fellows recently

did so successfully in New Zealand. Much independent help, too, will be derived in the cities themselves, where there are thousands of independent workers willing to assist in overthrowing trade union tyranny. All they require is a guarantee on the part of the Government that they shall receive ordinary protection.

While farmers in general have assumed an uncompromising attitude in opposition to the demands made on them, ship-owners, untaught by dismal experience of the futility of such overtures, have placed two alternative peace proposals before the executive of the Waterside Workers' Union. They have offered either to submit the whole dispute to the decision of the Judge of the Federal Arbitration Court, binding themselves to accept the award made by that not very sympathetic functionary; or to guarantee constant employment to the members of the union at a fixed wage of 52s. 6d. a week of 48 hours, with overtime added. Both offers have been contemptuously rejected. The refusal of the first, in particular, is highly significant. Mr. Justice Higgins has hitherto been regarded as the workers' friend. His good offices have invariably been invoked by the labour organisations—never, till now, by employers. Certain figures recently quoted by the president of the Australian Workers' Union go far to justify the confidence in the Federal Arbitration Court held by the one party, and the distrust entertained towards it by the other. In the course of nine months during last year the Court heard 188 cases. The average weekly earnings of each employee concerned in those disputes were increased to the extent of 5s. during the first three months, 4s. 3d. during the second, and 4s. 1d. during the third. No reduction of wages has ever been made; in fact, where rates have previously been fixed by Wages Boards, the Court is not empowered to make any reduction. Within the past eight years the remuneration granted to waterside workers has been increased by no less than 50 per cent., while, within the same period, costs of living, it is computed, have only risen 25 per cent. Clearly, then, rapacity, not a genuine sense of wrong, inspires the present aggressive movement. The policy chosen by the union leaders is exactly similar to that practised with highly lucrative results by certain Bedouin tribes in Syria and Arabia, who are fortunate enough to control portions of the great caravan routes. The merchant—in Australia the primary producer—must pay a heavy ransom, or the passage of his goods will be stopped. It remains to be seen, however, whether the obstructionists can make good their threats.

Space does not permit a full investigation into the causes of the progressive moral degeneracy that has characterised trade unionism in the Commonwealth within the last twenty years. The movement was originally entirely commendable. Grievances

existed among the employees which could only be redressed by combined action. The early leaders of the unions were thoroughly honest men of moderate views and marked ability. Success, however, has changed all this. Some of the men now in control of Australian labour organisations plunder their own followers, and strive to compensate them by plundering, for their benefit, the employers and the public.* They both preach and practise the Gospel of Grab. Their attitude alike towards the rank-and-file of the army of trade unionism, and the whole body of independent, unorganised labour, is one of tyranny and persecution. In some cases an industrial Reign of Terror has become established. The slightest breach of the rules promulgated by a small band of irresponsible oligarchs is punished with draconic severity. Revolutionary movements, whether religious, social or political, invariably reach this phase sooner or later, and it is a sign of the approaching end. The super-heated contents of the cauldron boil over, and finally extinguish the flames beneath. Resentment is provoked both within and without. The internal enemy is always more to be dreaded than the external.

Trade unionism in the Commonwealth has committed the folly of offering a direct challenge both to liberty and political economy. Its conceptions as to the former are identical with those held by certain artless citizens of Paris at the time of the Great Revolution, who, after suffering sharp military rebuke for the unauthorised suspension of an unpopular baker from a lamp-post, complained that freedom was of no value to them if they might not hang anyone they pleased. Modern industrial Jacobins, it is true, do not claim the mediæval right of hanging those whom they regard as traitors. We live in an enlightened and humane age. The contumacious worker is only to be starved by being branded as "black-leg," and denied the right of selling his labour. It is extraordinary that the moral sense of a civilised community should tolerate such practices as these. It is even more extraordinary that trade unionists should not perceive that, under the domination of a mere handful of their number, they but "wear the name of Freedom, graven on a heavier chain." When the day of enlightenment comes, trade unionism, as an engine of spoliation and oppression, will be destroyed. Indications already clearly denote that large masses of organised workers are becoming weary of the blessings of self-imposed servitude.

The evils, both political and industrial, that have attended the

* In 1910, according to reliable statistics, the wage-earners of New South Wales contributed to their unions £129,754, and received in benefits the sum of £22,829. In 1911, the corresponding figures were £163,448 and £28,743. Thus "management" expenses during the two years amounted to nearly £200,000, a sum approximately four times as large as that devoted to promoting the welfare of the members. Evidently the managers valued their services somewhat highly.

growth of the trade unions in the Commonwealth are the results of several contributory causes. The inordinate increase of the city population—Sydney, it is estimated, including its suburbs, now contains 725,000 persons out of some 1,600,000 in the whole of New South Wales—the spread of very superficial knowledge, and the prevalence of a love of pleasure, and distaste for steady labour may be considered as among the chief. Docility, or rather servility, among the urban masses, and apathy on the part of the public, have aided the growth of scandalous abuses in the management of industrial organisations. Employers, also, have been greatly to blame, in neglecting to combine for self-defence; in submitting to extortionate demands; and, worse still, too often adopting the fatuous and faithless course of dismissing loyal employees after a strike at the bidding of the unionist leaders. Many of such employers richly deserved the punishment they afterwards received. But Australian Governments have been the chief offenders. Too often, instead of upholding the law and protecting the law-abiding against the lawless, they have openly sided with the latter at the bidding of irresponsible demagogues.

During the carters' strike at Adelaide some three years ago, the ruling authorities actually permitted an insolent mob to draw chains across the streets, and stop all ordinary traffic for several days. Much the same state of things prevailed not long ago at Broken Hill. When judges have sentenced notorious offenders connected with trade unions to well-merited punishment, the executive again and again has interfered to shield the offenders. The well-known case of Peter Bowling, immediately liberated from gaol by a Labour Ministry, although the offence for which he was sentenced was practically admitted, is but one of many similar examples of scandalous abuse of power. Strikers have been fined again and again for defying the law, but no Labour Government has yet moved a finger in support of the authority of either judge or magistrate. M. Hue, in his interesting work descriptive of the Chinese Empire as it was some sixty years ago, has informed us that there existed in Peking a formidable society, or trade union, of beggars ruled by their own elected king. From time to time this potentate sued and obtained permission from the Emperor to raid some neighbouring village for the purpose of obtaining supplies for his needy subjects. On the day fixed the whole ragged mob marched out, and begged so successfully (with cudgels) that the inhabitants of the devoted village usually found themselves in much the same plight after the departure of the visitors as the latter were in before they left the city.

A similar course of policy, with certain modifications, has been pursued by Australian Labour Governments at the

dictation of the autocrats of trade unionism. Industries, however, have taken the place of villages, and votes that of bludgeons. Employers have been denied legal protection against unscrupulous spoliation in return for the votes of the depredators. Only twice within the last dozen years has an Australian Ministry, even of the kind called Liberal, when confronted by a serious industrial crisis, shown an appreciation of the elementary fact that the duty of a government is to govern. Paltry temporising tactics have taken the place of resolute action. Politicians have thought more of their own personal comfort and salaries than of their duty to the community. The sovereign authority has thus become an object of derision; for the law is little respected when the legislator is despised. The Australian public are, in truth, becoming weary of exhibitions of official poltroonery and imbecility in dealing with organised industrial revolt. The policy of stroking the tiger has not proved successful. Discipline of a less tender kind will soon have to be substituted.

A general demand for sterner action with a view to the repression of wanton industrial disturbance is being raised in the Commonwealth. The fact that the interests of the worker, as well as those of the whole community, require that no man shall be penalised either for industry or independence, is becoming more recognised. The growing strength of the free labour movement in Australia is an encouraging sign. Trade unionism is destroying itself by its own excesses; and, if it be not soon reformed, will ultimately be beaten with its own weapons. The use of the strike, as an instrument of blackmail, or as a lever for overturning the whole social fabric, must speedily be abandoned; or those who wantonly, and for the purposes of selfish gain, attack the industrial life of the community will eventually learn at some cost that, in defence of its vital interests, society also can strike—and strike hard.

F. A. W. GISBORNE.

Since this article was written, Mr. Justice Higgins has summoned a compulsory conference between representatives of the Ship-owners and the Waterside Workers' Union. So far no definite agreement has been reached.

F. A. W. G.

February 16th, 1914.

AGRICULTURAL TRAINING FOR BRITISH LADS OVERSEA

COLLEGES AND APPRENTICE FARMS IN VICTORIA AND NEW SOUTH WALES

By ERNEST E. CARLETON

(Secretary of the Central Emigration Board)

THE systematic emigration of adults to the British Dominions Oversea has done much towards solving the problem of actual unemployment in the United Kingdom, while the steady transfer of people has proved an undoubted benefit both to themselves and the country of their adoption.

But, after all is said and done, there still remains a vast army of underpaid and intermittently employed workers whose condition is very little removed from that of unemployment. So far, Imperial legislation has been directed only towards reducing the statistics of actual unemployment; little or no cognisance has been taken of the unsatisfactory conditions surrounding thousands of unskilled workers classed as employed. Of these a considerable proportion are lads between the ages of sixteen and twenty years. It has long been recognised that sufficient remunerative openings, commensurate with ability, cannot be provided here for the youth of this country. Indeed, one has but to study industrial conditions to find that thousands of lads, now working for very small wages, are capable of much better things were opportunity offered them.

Employers frequently discharge a lad as soon as he reaches the age when he can no longer be paid boy's wages, so that on the threshold of manhood he is thrown upon the unskilled labour market to earn a precarious livelihood at low wages, often with only intermittent employment. Nor is this the case only with the working classes. Boys in clerical and professional callings are in many cases overworked and underpaid. Conditions such as these are injurious not only to the lads themselves, they affect unfavourably the stamina and *morale* of the nation.

Persons of adult age working in industrial centres at unskilled trades do not necessarily provide the best type of emigrant, due largely to their surroundings and the circumstances under which they work. Many in consequence are physically and mentally below the required standard, while the absence of ambition and effort due to the same cause renders them inadaptable, and adaptability is one of the strongest characteristics required in a settler. There are, however, in our towns and country districts thousands of lads between the ages of sixteen and twenty, lads of spirit and ambition, who would make capital emigrants, and who, if emigrated, would succeed far better in one of the British Dominions Oversea than it is possible for them to do in the old country. All that is required is to send them out under good auspices and provide them with oversight and training until such time as they may safely be left to carve their fortunes by their own unaided efforts. The absence of a comprehensive arrangement of this kind in the past has caused parents to withhold consent to the emigration of their sons. Parents fear, and rightly so, that their sons if left to themselves in a new country might, through bad influence, ignorance of local conditions, or perhaps indifferent treatment by farmers, come to grief.

The States Governments have in some instances recognised this difficulty, and from time to time have done what they could to safeguard the interests of young men passing through their hands at the ports of landing to up-country farms. But it has all along been admitted that for young inexperienced lads the arrangements made were not sufficiently protective, nor did they always ensure the emigrant an opportunity of acquiring in the best and quickest manner that all-round knowledge of agriculture, without which it is useless for anyone to take up land for himself. In these circumstances the combined action of the New South Wales and Victoria States Governments, in opening their Agricultural Colleges and kindred institutions to British lads, will be welcomed in this country. The new movement should prove of immense assistance to the agricultural development of Australia, while at the same time relieving congestion in the labour market here without in any way interfering with economic conditions.

The training institutions at Hawkesbury, Wagga, Bathurst, Cowra, Glen Innes, Grafton, Wollongbar and Dural, and in Victoria at Dookie, Longerenong and Burnley, are now open to British lads. Both the curriculum and scale of fees vary in the different institutions, the idea being to establish a system of training to suit the pockets of all classes.

At Hawkesbury the New South Wales Government has established an agricultural college and experiment farm covering 3,440 acres of land, of which 1,000 acres are cultivated. Here,

on a gentle slope overlooking the town of Richmond, a three years' course of training is provided of a kind that will fully meet the requirements of the public schoolboy. At the end of his course the young man should be able to take up farming on his own account, and for this capital is of course required.

Agriculture in all its branches is taught at Hawkesbury according to the latest scientific methods, and as there is a complete system of irrigation intensive cultivation is also included in the course. The curriculum comprises the study of the principles of agriculture, the breeding, rearing, and management of live-stock; chemistry, soil physics, botany, vegetable pathology (including the use of the microscope), entomology, veterinary science and practice, elementary mechanics, farm engineering, elementary surveying, bacteriology, meteorology and farm book-keeping. Students also receive instruction in field operations, the use of farm implements and machinery, dairying, carpentry, saddlery, blacksmithing, butchering, the management of bees and poultry, and all branches of gardening and orchard work.

Lads of sixteen years of age and over are eligible for admission provided they have passed the Junior, Senior, or Matriculation examination of a University, failing which they must sit for an entrance examination. The fees are £30 for the first year, £20 for the second, and £10 for the third year, with an addition of £10 per annum for every student entering from outside New South Wales. The Government, however, will refund the extra £10 at the end of a period of twelve months after the conclusion of a student's course, upon satisfactory evidence being given that he has settled permanently in New South Wales. The College itself contains a library of three thousand books, chiefly relating to agriculture and kindred subjects. There is also a reading room and gymnasium, while the recreations include football, cricket and hockey, lawn tennis and swimming.

There is a similar institution at Dookie, in Victoria, suitable in every way for public schoolboys and others in a position to pay the annual fees required, and who on the completion of their course will have some capital available for purchasing a farm. Dookie Agricultural College, with its farm of 5,913 acres, lies midway between the towns of Shepparton and Benalla on the fringe of the far-famed Goulburn Valley, the centre of the most extensive irrigation system in the Commonwealth. The College is connected by telephone with the local Post and Telegraph Office, and thence with all the towns of the Goulburn Valley, the North-East and with Melbourne. The main purpose is to teach the principles and practice of agriculture to the sons of farmers and others intending to adopt farming as a vocation.

The farm buildings include modern stables and implement sheds, buggy sheds, overhead and underground silos, barns, butcher's shop, store rooms, smithy, carpenter's shop, shearing shed and sheep dip. The farm is fully equipped with all kinds of modern implements for grading and levelling land, preparing the soil, sowing and harvesting crops, and cleaning and grading seed. The College buildings comprise offices, library, reading rooms, lecture halls and laboratories, dining rooms, gymnasium, committee rooms, sitting-rooms and dark rooms for photography. The class-rooms and laboratories are well equipped with apparatus for experimental work when teaching.

Applicants for admission must not be under sixteen years of age. In order to qualify for admission they must pass an examination in English composition and arithmetic, but any applicant producing a certificate indicating that he has passed the Merit Standard of the Education Department in Victoria, or some equivalent standard, will be exempt from this examination. The fees are £30 for the first year, £25 for the second year, and £20 for the third year, payable half yearly in advance. The diploma course extends over three years, and the College year is divided into two sessions of five months each, the winter session beginning about the end of the first week in March, and the summer session about the end of the first week in September.

The curriculum includes agronomy, animal husbandry, dairying, viticulture and horticulture, carpentry, building construction, poultry rearing and management, chemistry, agricultural botany, geology, natural philosophy, including soil physics and meteorology; mathematics, English, veterinary science, economic entomology, agricultural engineering, vegetable pathology and bacteriology, biology, business methods, including book-keeping and business correspondence.

For boys whose parents are not able to provide them with a three years' course at colleges like Hawkesbury or Dookie, there are the Wagga and Bathurst Experiment Farms in New South Wales and the Longerenong Agricultural College in Victoria. The course at each of these establishments is two years. At Wagga and Bathurst boys will be admitted at fifteen years of age, and at Longerenong at fourteen years. The fees at Wagga and Bathurst are £25 for the first year, with the second year's training free if a good report is obtained by the student. At Longerenong the fees are £15 per annum for resident students and £5 for non-resident students. Boys can qualify for admission on a certificate from the last school attended, subject to their being physically fit.

The main objects of the Wagga and Bathurst Farm Schools are to demonstrate the most effective and economic way of

producing and harvesting crops, to carry out experiments to determine the stability or otherwise of crops, the improvement of wheats and other cereals, and the carrying out of exact scientific experiments. The course of study, in fact, is a modified form of the training given at Hawkesbury and Dookie.

The farm at Longerenong is admirably adapted for demonstrating what can be done in irrigated farming. The water is supplied from one of the channels of the Western Wimmera Irrigation and Water Supply Trust. About 1,000 acres are under cultivation each season, while an orchard and vineyard cover an area of 30 acres. Fifty acres of lucerne are under irrigation.

A still cheaper course of training is provided at the apprentice farms at Cowra, Glen Innes, Grafton, Wollongbar, Tanco and Dural in New South Wales. At each of these institutions British lads are taken on the same terms as Australian lads, and all receive practical training in Australian methods of agriculture. Applicants for admission to one of these schools should be between the ages of sixteen and twenty, but in special cases lads under sixteen may be admitted if physically fit for the work required of them. The course of training covers twelve months, and the fees are £5 per half year, payable in advance; but an apprentice obtaining a good report from the manager for the first half-year is given the second half-year's maintenance and training in return for his labour. If at the end of twelve months a lad wishes to stay on for a further period, and can do so without prejudicing applicants for admission, he will be allowed to remain and a small wage paid to him.

Burnley School of Horticulture in Victoria provides a two years' course in fruit and vegetable culture. The farm is picturesquely situated on a sheltered bend of the River Yarrow at Burnley about three miles from Melbourne. The two orchards comprise about fourteen acres of fruit trees and vegetable garden. Over 1,800 varieties of fruit trees are at present under cultivation. The apple collection includes nearly 700 varieties, while there are over 300 varieties of pears. Such a collection of fruit trees in full bearing is not to be found elsewhere in Victoria, so that the instructional value of the farm is great. Attached to the farm are poultry runs containing pure stock of the leading breeds. Over 200 chickens are raised annually, and find a ready sale throughout the State. The School is a day institution. The fees amount to £5 per annum, payable in advance. A special feature of this institution is that arrangements have been made whereby successful students after passing through the regular course may continue for a further period of two years as salaried trainees, either at the School of Horticulture or at the Melbourne Botanic Gardens. Four students are selected annually by examination.

Two of these are retained at Burnley, and two transferred to the control of the Director of the Botanic Gardens, for two years' service and further training. Salaries are paid at the rate of £40 for the first year, and £52 for the second. Students who throughout this continuation course satisfy the Principal of the School of Horticulture or the Director of the Botanic Gardens are awarded the Government Diploma in Horticulture.

At all the training farms mentioned small extra annual charges must be allowed for such items as medical attendance, laundry, sports clubs and accidental damage to farm property, but in most cases this does not exceed £2 per annum.

It is assumed that boys wishing to take advantage of the training offered at the agricultural colleges in Australia will pay their own expenses out, but in particular cases lads proceeding to Dookie or Longerenong in Victoria, are granted assisted passages. Lads desirous of going to one of the New South Wales apprentice farms are referred to the trustees of the Dreadnought Fund in Sydney, who give special help to boys wishing to settle on the land in that State. The trustees will pay the whole of the fees for instruction and board and lodging for one year, the fare from port of landing to the farm chosen, and the medical fee charged at the school. They will also give, through the Government Emigration Department, assisted passages to any lad approved by the emigration officials.

In the cases of lads wishing to start at once earning money for themselves, the New South Wales and Victorian Governments make an exceptionally generous offer. Subject to being physically fit, of good character and expressing willingness to make farming their permanent occupation on arrival, the Emigration Department of New South Wales and Victoria in London is authorised to accept lads between the ages of sixteen and twenty on the basis of a £7 passage, plus a deposit of £1, for expenses after landing, £8 in all; the deposit being returnable to the lad as soon as he reaches Sydney or Melbourne. And in cases where lads are unable to raise so much as £8, they will be accepted on the basis of a cash payment of £3, being £2 for passage and £1 deposit. The balance, which under this arrangement is calculated at £8, is advanced as a loan and recoverable from the lad after settlement, by periodical deductions from his wages. Under this scheme the passage costs £3 more, but even then the total amount expended is much less than the cost of a passage at the ordinary rate.

On arrival at Melbourne or Sydney the emigrants are met by representatives of the respective Governments, and within a few days at the most are despatched by railway to the farm where they are to receive their training. Work is guaranteed by the

Government, and wages commence from the day the lads reach the farms. The farmers understand that the majority of the lads have had no country experience, and so too much is not expected from them, especially at first; while it is, of course, to the interest of the farmers to teach their young employees the business of farming as quickly and thoroughly as possible. In every case the farmer gives free board and lodging in addition to wages, which to begin with will not be less than 10s. per week.

If any reader should require further information I shall be happy to give it, if he will address me at Cromwell House, Surrey Street, Strand, London, W.C.

ERNEST E. CARLETON.

AUSTRALIAN INFORMATION BUREAU

Of recent years the Dominion's representatives in London have made their influence felt in all quarters and their sphere of activity is ever growing. The latest development, an organized Intelligence Branch, owes its inception to the initiative of Captain Muirhead Collins, R.N., C.M.G., the official secretary of the Commonwealth in London. Its functions may be summarised briefly. Movements of public interest in Australia are noted, official reports, parliamentary papers, blue books, royal commission reports, etc., are kept, and carefully examined. The latest information on a given subject is thus collated from all sources and brought before the notice of those interested. Already this department has given useful assistance to statisticians, politicians, members of parliament, political economists, essayists, journalists, commercial men, explorers and other inquirers, who in their turn play no little part by furthering the advancement of Australia.

THE INDIAN IN SOUTH AFRICA

*FROM THE WHITE SOUTH AFRICAN'S
POINT OF VIEW*

BY SPENCER TRYON

I

INDIAN immigration to British colonies was the outcome of the abolition of negro slavery, a step which threatened, and in many cases effected, the ruin of the planting industry in the West Indies and Mauritius. Some means had to be found to replace the labour of the emancipated slave. For, except in densely populated Barbadoes, owing to the ease with which the freed slave could supply his own wants, the plantations suffered much from want of labourers. In Demerara an attempt was made to introduce men from Scotland on the sugar estates, but the task proved distasteful to the immigrants, and those who remained after their period of service only did so as overseers.

The importation of Portuguese from Madeira was more successful. The Portuguese peasant is very painstaking and his race pride not strong enough to prevent him working alongside the negro, while constitutionally he is well suited to field labour in the tropics. But the supply was inadequate, and many at the end of their indentures had saved enough money to start a small store or country canteen. At the present day few Portuguese are employed on a Demerara sugar estate other than as gardeners. Subsequently British Guiana and the chief West Indian Islands went to India for labour, and the indentured system was started. On the whole the experiment proved satisfactory and it has been continued ever since. Recruiting from China was also tried, but discontinued, owing to a dispute with the Chinese Government as to return passages. About the same time Indians were introduced into Mauritius, where they caused a disturbance among the creoles, who migrated in considerable numbers to the coastal districts of Natal and the Cape, only to find that as small store-keepers and mechanics they could not compete with the free Indian. In the West Indies no such disturbance seems to have

taken place. Here the presence of the Indian has not prevented the local people, coloured or black, from making the extremely exiguous living with which they are contented. And in Demerara there is still work for the negro on the estates, such as trenching and canal making, for which the less muscular Indian is physically unfitted. It was not till the early sixties that the sugar industry in Natal, demanding continuous and reliable labour unobtainable at that time from the Kafir, was started. It was then that the Indian was introduced into Natal, and Indian migration to this colony was continued up to the time of the refusal of the Indian Government to sanction the termination of the indentures taking place in India.

Slavery in South Africa was abolished at the same time as elsewhere in British colonies. But unlike the West Indies, in South Africa, Indian immigration was not the result of slave emancipation. The slaves were almost entirely in the possession of the Dutch, and comparatively few in number, they were distributed in small holdings among a number of owners. It will be remembered that the abolition of slavery, or rather the inadequate and tardy compensation received by the Dutch owners, together with the vagrancy and lawlessness of the ex-slaves, was one of the causes of the "Great Trek." But the Dutch pastoralists, more especially those who eventually emancipated themselves in the two republics from British rule, found little difficulty, owing to their methods of forced indenture and kidnapping native children, at least in the early days, in getting a supply of herd boys and domestic servants.

The system of indenture in Natal and Mauritius is somewhat different from that prevailing in the West Indies and British Guiana. In Natal and Mauritius the Indian is provided with rations and paid a monthly wage (with deductions for wilful absences) from ten to fourteen shillings a month. In the West Indies and British Guiana the Indian is paid on the piece work system, and finds his own food, the minimum wage being 1s. 4d. for a task which with ordinary exertion can be performed in seven hours. For the first few months, however, till the Indian is acclimatised, his employer must provide him with adequate rations and clothing even if the man does not himself earn enough to pay for these necessities. The result is that, whereas in Natal the Indian can, and often does, save the whole of his wages, in the West Indies he is often, especially if of inferior physique, hard put to it to make both ends meet. In all colonies hospital accommodation, medical attendance, and quarters are provided free. A moiety of the passage money is paid by the employer.

Employers of Indian labour fail to see how the indenture system can be considered "slavery." The youth in England

articled or indentured under a penalty to learn a trade or profession may with equal right be called a slave. In fact in his case the term would seem more justifiable, for it may quite easily happen that a youth may not understand the nature of the agreement made for him, and, when he realises it, be sometimes working against the grain. In fact every manual worker is more or less a slave in the sense that in most cases he must work or starve. And the Natalian can hardly see how the indentured coolie, who of his own free will has come to a country where he knows he will be subject to a £3 tax if he does not elect to reindenture, can afterwards with justice object to that tax. Some of the leading English journals seem to infer that this tax is the outcome of the Union and is the result of the dislike of the Dutch element to coloured races. Indeed, a certain prominent English weekly seems to think that the tax is general throughout the Union. It is only fair to our Dutch fellow-colonists to point out that from the nature of their occupations they suffer less from Indian competition than the Englishman does, and that the agitation against the free Indian began in Natal as long ago as the eighties.

When the Indian was first introduced into Natal it was never contemplated that he would not avail himself of the free return passage to India offered at the end of his term of indenture or decline to reindenture himself at a higher rate of wages. Indeed, free grants of land were at first offered to induce a few free Indians to stay in the colony, but these grants were soon stopped when it was found that free Indians elected to stay in numbers far in excess of the requirements, and were competing injuriously with already established white industries. A few years before the war the £3 tax was levied on all Indians who chose to reside in Natal without reindenturing themselves. This tax is not retrospective. It is not payable by those free Indians or their descendants who were already domiciled in Natal at the time of the passing of the Act. It is not altogether an attempt to keep up the supply of labour on farms and plantations. It was felt that a people who contribute next to nothing to the revenue through indirect taxation, who consume practically no duty-paying articles, should be made to pay something towards the upkeep of the Government, just as the native does through the medium of the hut-tax. No English negrophil has ever objected to the hut-tax. Possibly this may be because he considers it a tax on polygamy, which incidentally is the case, as the tax is levied on each hut, and native custom does not allow two wives to reside in the same hut. In fact the more intelligent natives look on the Indian £3 tax as the equivalent to their hut-tax, and there would be considerable dissatisfaction among the Kafirs were the Indian

tax removed. Indeed, the Kafirs have already intimated that in that case they would immediately agitate for the abolition of the hut-tax.

It must be frankly admitted that the tax on free Indians was also levied as a mild endeavour to induce self-repatriation. The ordinary Natalian, if we exclude the big planter and "coolie farmer," the latter a large landowner anxious to lease or sell properties to Indians and live comfortably on the proceeds, does not consider the Indian a desirable settler. The white colonist argues that he has enabled the Indian during his period of indenture to save money to an extent he could not have done in a lifetime in India, and that meanwhile the Indian has improved immensely in physical condition. Bearing these facts in mind, the white colonist does not consider it outrageous to expect the Indian to return to his native country at the end of his term of agreement.

The white colonist of some twenty-five years ago never dreamed that he would live to see practically the whole of the retail trade of the colony pass into the hands of the Indians. The extent to which this has taken place may be gauged from the fact that between Durban and the Pondoland border there are today only two European firms in existence, and one of these has only been able to retain its position by buying up a strip of land for thirty miles along a trunk road, in order to keep out Indian competitors. It was never expected that the Indian cultivator would succeed in displacing every small white farmer and market gardener, English, Norwegian, Dutch, or German in the colony. Nor that most of the minor operations in business, clerical or other, would fall into the hands of the Indian. No allowance was made for his becoming a landowner—at least to the extent to which he has actually so become—and by this means, and by his rabbit-like fertility, literally ousting the white man not only from his occupation but literally from standing-room. The extent to which this has taken place may be gathered from the fact that the white population of Natal has decreased by five thousand since the last census. Now this change has been effected not so much by the Indian's capacity for underselling the white as by his eventually discrediting certain occupations as careers for white men. Otherwise Natal, with its rich though patchy soil, its healthy climate, its broken contour, and above all with its good local market in Johannesburg for fruit and other minor products, is eminently adapted for the small white grower.

The Indian has introduced no new industries into Natal, except perhaps he may have developed market gardening. He is also a peripatetic purchaser of eggs and other minor farm produce, which in the case of out-of-the way farmers does not always find

a ready market. In all other cases he has ousted the white man from already established industries. The Natalians feel much as the members of a conquering army would feel if the fruits of their victory were enjoyed solely by the camp followers. They argue that, in proportion to their numbers, they have done far more than the Imperial Government to render the colony what it is. They have put down several native rebellions single-handed. When the white population was not much over 20,000 they contributed over a thousand volunteers to crush the power of Cetewayo. They feel naturally sore that an inferior race should step in at the eleventh hour and snatch the fruits of their exertions.

II

The Indian is practically useless for the defence of the country in which he has elected to live. The sole contribution of the Natal Indian to the defence of the colony during the Boer invasion of Natal was the formation of a corps of stretcher bearers.

The insanitary habits of the Indian are a standing menace to the white population and amply justify the location system, against which there is such an outcry at home. A few years ago the Indian introduced the bubonic plague into South Africa whereby several prominent white citizens lost their lives. In British East Africa the Indian is largely responsible for the spread of syphilis among the natives. At least two visitations of small-pox have originated with Indians during the last ten years. Even the operations of cleanliness are carried out by the Indian in a particularly unhygienic fashion. It is a common occurrence to see an Indian woman drawing water for drinking purposes from a stream some two feet across, while clothes are being washed a little higher up. Laundry-work for whites is performed in particularly insanitary way. The whole Indian family frequently use the clothes entrusted to them as a temporary bed, and the Indian storekeeper is being perpetually fined for storing comestibles in his unventilated sleeping-room.

If then the Indian, in point of cleanliness, compares unfavourably with the native, and particularly with the Zulu, he far outpasses him in criminality. A cursory examination of the police reports in any Natal paper will convince the veriest outsider of this fact, especially if he bears in mind that the natives outnumber the Indians by at least ten to one. In Natal, at any rate, the Indians at one time had the bulk of the illicit liquor traffic with natives in their hands. This has been to a great extent stopped by the prohibition of the sale of intoxicants other than such as can be consumed on the premises to Indians without a permit. But even so, the Indian is an adept at forging

such permits. He is notoriously litigious, and is responsible for the existence of a class of legal pettifogger known in the Natal country districts as "law-agents." These individuals are not above touting for business among the Indian community, and on behalf and at the instigation of their clients bribe and intimidate witnesses on the opposite side. Indeed, the Indian, when he goes to law, does not confine his bribery to the other side's witnesses. It is an open secret that the court-interpreter, generally a low-class Indian or an equally low-class white who has been in India, always receives a "present."

To sum up, the English and Dutch settlers object to the Indian as injuriously competing with and ousting the white man, as being insanitary in his habits and therefore a danger both to whites and natives; as being of low moral tone; as being unable to bear his share in the upkeep and defence of his adopted country; as belonging to a race which cannot amalgamate with the whites by marriage. The native is the original possessor of the soil. He must remain and we must do our best for him and with him, but the Indian has no such proprietary rights.

There is a growing dislike on the part of the native towards the Indian. Formerly, the Kafir regarded the Indian with a sort of contemptuous indifference as his physical and moral inferior. To-day, however, the Kafir's wants are increasing, and when he is looking for work to satisfy those wants he finds the Indian an undesirable competitor in the labour market.

One of the objections on the part of the other South African colonies to union was the large Indian population of Natal. The Indian had managed to enter the Cape Colony in such numbers and his competition was so severe that the white population of that part of South Africa had decreased by over nine thousand. There is at present an outcry among the supporters of the Indian that the laws with regard to the Indian in the "Old Colony" are more restrictive than before the Union. The figures quoted and a comparison of the Cape Town of to-day with the Cape Town of twenty years ago would seem to justify any such alleged stringency, if the white element in the population is to exist at all. It was felt that the Natal Indian would try and bring pressure to bear on the Union Government to enforce his supposed right as a British subject to settle anywhere he pleased in South Africa, and eventually reduce the Transvaal, Free State and the Cape to what Natal has virtually become, a mere dumping ground for the refuse population of India. If we could arrive at the real meaning of the movement, it was probably to emphasise this alleged right that Mr. Gandhi recently led his invading army of Indians into the Transvaal.

How strongly the Transvaal itself feels on the subject can

be gauged from the fact that the municipality of the border town Volksrust offered General Botha to improvise themselves a border guard, till the Government could take adequate measures to do so, in order to prevent further incursions. If, as is alleged by the local Indian agitators, this and the subsequent strike in Natal were only meant as a protest against the £3 tax, why did not these agitators wait till the Union Parliament had met? They are perfectly aware that a large number of members are in favour of the abolition of this tax. They consider it inadequate for the chief purpose for which it was designed, and therefore merely an irritating pin-prick to the Indian population. Of course the rank and file of the strikers had a very hazy idea as to why they were striking at all, except that they might feel a little sore that their protagonist had been imprisoned. They were simply "pulled out" by some of the better educated young hot-bloods among their own compatriots. So much was this the case that the coolies on several estates offered to continue at work if their white employers could guarantee them against intimidation by strike leaders, and, where steps were taken to prevent such intimidation, did not come out at all.

Though the Indian question has not assumed the dimensions in the Transvaal that it has in Natal, the Indian population has more than doubled since the war, and this has happened not entirely by legitimate increase. There is quite a trade in forged and illegally transferred permits. It is a common complaint among the advocates of the Indian that whereas the late Transvaal war was partly brought about by the harsh treatment of the British Indian by the Republican Government, the Indian is now no better off when the Transvaal is a British colony. It must be admitted that among South Africans at any rate the Kruger *régime* was not considered to be unduly harsh to the Indian, and that the late president was thought to be justified in trying to prevent his country becoming a second Natal. The agitation against such treatment, if it existed at all in South Africa, may be taken, as an ex-republican Dutch friend remarked to me, as being a case of "any stick" being "good enough with you English to beat Oom Paul." It may be remarked that the Free State has always managed to practically exclude the Indian.

The extent to which the Indian has supplanted the white in Natal is not only noticeable to old residents, but to any visitor to the colony who enters from the Transvaal. On leaving Volksrust, the visitor will fancy he has left what is comparatively a white man's country for some dependency of India. He need not even leave the vicinity of the railway to be thus impressed. He will note the white gatekeeper and porter of the Transvaal replaced by Indians. Even the station master or booking clerk

is often a Eurasian. At every small halting place he will see the Jew or Scotch storekeeper replaced by the so-called "Arab," generally a Bombay Mussulman. Looking further afield, he will notice the Dutch bywoner or Portuguese market-gardener replaced by the Indian, not always as a working farmer as in the case of the two former, but as an employer of native farm hands. It is this dislike of hard manual labour, when he can avoid it, that prevents the Indian competing to a greater extent than he does with the English mechanic.

The Indian is a very destructive and exhaustive cultivator. He generally leases a piece of picked virgin soil. From this he proceeds to get the utmost amount of produce without ever attempting to keep the soil in good condition with manure. In the steep bush-land of the Natal coast, after clearing the ground, he does not, as in Ceylon, take the trouble to avoid soil erosion by drains or terracing. Consequently, after a torrential rain such as is common in that part of South Africa, a foot or so of soil is bodily carried off. After exhausting his plot by such methods, and the clean state in which he keeps his ground favours rain-wash, he proceeds to lease another plot and repeats the process.

If not an employer of labour so that he need only occasionally work, the Indian prefers such light employ as hawking or waiting in hotels. Among the rising generation who are receiving a European education, some form of clerical work is preferred or employ in the few factories which have been established in Natal, where Indians are rapidly displacing Europeans. Few of the retail storekeepers in Natal are ex-indentured Indians. They are of the "Arab" class, who of their own initiative have followed in the wake of the indentured Indians. They are either branches of, or financed by, one of the big Bombay Mussulman mercantile houses. One would have thought that the luckless Natalian might plead that here, at least, he was not directly responsible for Indian immigration and was therefore justified in putting some sort of restriction thereon. The champions of the Indian, however, both in India and at home, are clamorous for the removal of any sort of restriction as to domicile with regard to this class.

The South African considers that as a member of a self-governing community he has the right to exclude undesirables, or to repatriate them, British subjects or not, even if he, owing to the ill-advised action of a minority of his fellow colonists, is in a measure responsible for such undesirables being in South Africa at all. He does not consider he would be a good Imperialist if he allowed any part of the Empire adapted to, and originally occupied by, a superior race, to be largely occupied by an inferior race. He is so far in sympathy with the Hertzog faction in that he

thinks that the interests of the white South African must not be subordinated to the general needs of the empire. He considers that if the "British Subject" plea were followed to its logical conclusion, he might be asked to allow his country to be overrun with West Coast blacks, Papuans, or Andaman Islanders. He somewhat pertinently asks, "Supposing the English colliery or factory owners had, owing to a dearth of labour or a dispute with their hands, introduced British Indians in their place, would the white operatives tamely submit to their places being permanently occupied by these people? And subsequently would the English farmers, shop-keepers, clerks and mechanics calmly allow themselves to be deprived of their means of livelihood?" He fancies that in a case like this we should hear little of the "British subject" cant.

Citizens of the old country must recollect, before being carried away by mis-statements as to the ill-treatment of Indians during the late strike, that the Indian is a past-master in the manufacture of false evidence. Perhaps the only harsh action that can be urged against the white employers was the withholding in some cases of rations from men on strike. But it is expecting too much of human nature to call on a master to feed his operatives while they are refusing to work. Let the British public bear in mind that the treatment of the indentured Indian in Natal has always compared favourably with the conditions prevailing in Mauritius or the West Indies.

I think I may claim in the present article to have voiced the views of all South Africans except perhaps those of some half a dozen cranks of the Keir Hardie kind. Unfortunately these cranks are particularly loud-voiced, and may mislead the British authorities into thinking that their ideas are those of a large and intelligent minority. Any undue interference on the part of the Imperial Government with South African affairs might result (as was the case with the late Natal government during the Zulu rebellion), in the resignation of the Union Ministry. Great Britain would then have to reconvert South Africa into a crown colony, and might possibly be faced with a rebellion of both English and Dutch colonists.

Several prominent South African statesmen see no solution of the present Indian difficulty short of deportation. But they have not, I think, sufficiently estimated the cost. For the Indian under the intolerable conditions of his stay in South Africa has accumulated vast vested interests, and for these he would have to be compensated. It is estimated that if the Union Government were to offer a free passage to India to every free Indian with a bonus of twenty pounds on landing, it would not be taken advantage of by five per cent. of these Indians. This in itself is

sufficient to disprove the "intolerable oppression" complained of by Lord Lansdowne. Were it possible South Africa would gladly welcome repatriation even if followed by the boycotting of South African produce in India. Trade statistics show how little this would affect the Union.

Of all the outlets for surplus Indian population I consider British Guiana the most suitable. It is in no sense a white man's country. For a tropical dependency it is fairly healthy, and will doubtless become more so when tropical hygiene is better understood. Even allowing for the claims which Brazil and Venezuela, under the ægis of the Monroe doctrine, are continually making on its territory, British Guiana covers an area equal to that of England and Wales. Its vast hinterland is practically undeveloped and uninhabited. Its agricultural possibilities—I write from personal knowledge—are unlimited. It only requires an industrious population to make it the brightest gem among our tropical dependencies.

More than thirty years ago the government, in order to induce Indians to remain, went to the expense of draining large areas of coast land for their occupation. So that here the Indian is actually asked for as a colonist. Though the Indian has of late years taken to remaining in the colony to a greater extent than formerly, still he does not do so to the extent he has done in Natal. This is partly owing to the distance of British Guiana from India, but mainly because he cannot compete with the Portuguese retail storekeeper to the extent he can with the English and Scotch storekeeper in Natal. Nor can he undersell the coloured clerk or mechanic. The scale of living among the Portuguese in Demerara is little if at all above that of the Indian. When last returning from that colony I travelled with a very intelligent member of a Bombay Mussulman firm. This man had been sent out by his house to report on the openings British Guiana offered for Indian trade. He had come to the conclusion that the Portuguese would prove too formidable a rival to oust.

Sooner or later the Imperial Government will have to recognise the fact that in British dependencies suited for white settlement, and where whites have made their homes, they will not put up with the British Indian as a permanent settler.

SPENCER TRYON.

THE WORKING OF THE EDUCATION ACT 1902

By SIR GEORGE FORDHAM

[*Chairman of the Cambridgeshire County Council*]

IN summarising the working of the Education Act, 1902, during the ten years it has been in operation, I propose to limit my observations to county administrative areas. Any references to personal experience are based upon the administration of the Act in the County of Cambridge, a county fairly typical of the ordinary methods of work under the Act.

I am inclined to think that the most successful of the Education Committees set up under Section 17 of the Act will be found to be those in which the elements introduced from outside the County or Borough Council have by no means a preponderating numerical or personal influence, and exercise an advisory effect in moulding the policy of the committee and of the council upon which it depends. My impression is that the most solid progress has been obtained in those areas in which the County or Borough Council, as the case may be, has realised most completely its own responsibility, and has, at the same time, been willing to follow its committee with confidence, because no attempt has been made to fritter away the corporate strength of the committee by the association with its representative members of a large and miscellaneous group of outside and expert persons. On the whole, it may be said that the expedient of a quasi-dependent committee, with almost inclusive delegated powers, has been successful, whatever may be thought on theoretical and even practical grounds of the *ad hoc* authority in the special case of education.

Passing from the formal constitution of the administrative machinery to its executive and constructive work, it is probably fair to say that very few people outside the various local Education Offices can form any sound conception of the mass of work which had to be dealt with in the creation of this machinery throughout the country. Much constructive skill has been necessary—and

much ability, energy, and zeal has undoubtedly been concentrated in the various local administrations. To these qualities much of the administrative success achieved during the past ten years is due. Naturally a good deal of experiment was involved in establishing these new bodies. The essential difficulty was that of coordinating the new machinery with the old, and of apportioning the responsibility not only throughout the new local Education Department, but also between that department and its officers, and the general administrative system of the county. Great variety exists in the systems set up.

It is suggested that the best arrangement is to appoint an Education Officer at the head of the local Education Department, subordinate to the chief executive officer of the county, but dependent upon the general system mainly in matters of finance, and questions of law and procedure, being directly responsible to the chairman of the Education Committee in all matters strictly educational. In Cambridgeshire, the Clerk of the County Council is Clerk of the Education Committee and is responsible for the agenda paper, minutes and reports of the committee, and is its legal adviser, while the Education Secretary deals with all sub-committees, in which the details of the work and policy are developed, is the head and manager of the Education Department, and corresponds on all routine questions directly with the Board of Education. He has the whole local inspectorate and all matters relating to the teaching staff in his hands, as well as all supplies to schools. He deals with school attendance and all collateral questions, and with medical inspection in conjunction with the Public Health Department and the School Medical Officers, with buildings, furniture, and repairs in conjunction with the County Architect.

With regard to general school supplies, and some special goods, it has been found economical and satisfactory to obtain general tenders; in the same way printing is based on tenders for three-year periods.

School attendance is, in Cambridgeshire, under a special sub-committee, which deals with all questions of defective children and with medical inspection. It was decided at a very early stage to discharge and compensate all the miscellaneous School Attendance Officers of the various outgoing authorities. The result of the appointment of special officers and of the system set up is surprising. With only two of such officers an average attendance has been secured, and without undue pressure or friction, I believe, which has placed the County of Cambridge for each of the last three years for which returns are published at the head of the counties of England and Wales in this matter.

But the most important and difficult and laborious task of the

new Education Committee on coming into office was, undoubtedly, the complete examination of the status, qualifications, personal characteristics, and history of every individual of the whole teaching staff found in office on the "appointed day." Every teacher qualified had to be placed in a table based on a new scale of salaries, with a complete scheme of increments, advancement, provision for transfer, and remuneration for special qualifications. It was necessary to deal with a number of cases outside any scale, in consequence of age, defects, and other personal incapacities. Most of these teachers were probably continued in office temporarily or permanently at a salary fixed according to the circumstances of each case.

No question, I imagine, has given so much cause of anxiety to local administrators as this original examination of the personal and individual capacity of the whole teaching staff, with a view of doing justice throughout. Working scales of pay have no doubt been everywhere adopted, and modified according to experience. In the Eastern Counties of England satisfactory results have been obtained through occasional conferences on this subject between representatives of the Education Authorities of the whole area.

The training for the profession and the current instruction of teachers during their whole career, has been but unequally developed. I imagine that very few County or joint Training Colleges have been established since 1902. In the smaller counties the creation of such institutions is obviously impossible, except through a system of grouping, which, in general, no one has been willing to attempt. The absence of any systematic training of teachers in institutions under Local Authorities or the Education Department is at present one of the most marked defects in our educational work. A comparison with the complete system of Departmental *Écoles Normales* in France is instructive in this connection. The possibility of a crisis in the supply of trained teachers which may arise before long, presses an examination of our training system on public attention.

It is desirable, and no doubt usual, in Education Offices, to maintain a register of all teachers on the staff, showing in a compendious way the life-history as a teacher of each individual. The practice of dealing in some settled form, through a special sub-committee, with all cases of salary or advancement which do not follow the ordinary routine, keeps the Education Committee in personal touch with the teachers, and should prevent their becoming dependent on the officials in respect of their position and prospects. Personally I attach great importance to this feature of administrative activity. It is well that the same sub-committee should have before it all the reports of His Majesty's

Inspectors on the schools of the county. In my county these reports are printed, with the following report of the County Inspector upon them, so that every point raised is, by a system of arrangement in parallel columns of print, brought out clearly for discussion and decided by the sub-committee which reviews the whole matter, or by other sub-committees dealing with special points which are transferred to them by way of cross-reference. The Education Committee is thus kept in close touch with most of the salient points of the school life of its area. In general the practice is to keep in communication locally with His Majesty's Inspectors, and to settle minor matters on the spot in informal consultation with Inspectors and the Managers, and in this way, many references to Whitehall and loss of time are avoided.

The second matter which engaged the attention of Local Education Authorities upon the coming into force of the Act of 1902, was the examination of the fabric and surroundings of all the schools in the area of each of the new authorities. In Cambridgeshire a set of block plans of the school premises was prepared on a uniform scale, and has, I believe, been kept up to date in the Education Office. It is of great use as a basis for explanation and discussion in all questions affecting the buildings.

A survey and inspection of the sanitary conditions, including lighting, heating, closets, playgrounds, and drainage is being carried on now by the School Medical Officers when engaged on the medical inspection of children; they report all defects observed, and these are then dealt with by the appropriate sub-committee in consultation with the County Architect and the County Medical Officer. Much work has been done in consequence, and a great improvement in all these respects can be recorded. Very serious conditions in the matter of defective heating in a large number of rural schools have been detected, and in general have been since partially or entirely cured, while thermometers have been placed in the class-rooms, and records of temperature kept through the winter at fixed hours each day, the whole of the record cards being returned to the Education Office for examination at regular intervals.

Difficulties have arisen throughout the thinly populated rural districts in determining the best course of action for dealing with children resident at a distance from centres of population, and in small villages and hamlets. The conveyance of children daily to schools at some miles from their homes, though educationally sound, is open to a good many objections from the point of view of the economy of family life, and the closing of small schools with a view to the grouping of the school population in larger ones at a distance is very unpopular in our villages. The problem presents natural difficulties, especially in fluctuating populations

thinly distributed. An attempt has been made to meet it by the erection of inexpensive buildings, but here building bye-laws and the requirements of the Board of Education have a restrictive influence.

The lighting as well as the heating, in non-provided schools, and indeed all questions of structural repairs and improvements have engaged a large amount of detailed attention on the part of the authorities. By gradual pressure considerable general improvement has been obtained. Much, however, remains to be done. As regards furniture and school apparatus, a revolution is being brought about. Very little of the seating and other fittings and furniture in rural schools was found to be really efficient according to the best standards on the "appointed day." Year by year the worst cases have been eliminated by the provision of dual desks, and other forms of seating, on the best models. Important progress has been achieved throughout the country in this direction during the period under consideration, involving large expenditure, and a great improvement in educational conditions. Books and school material generally are frequently reviewed and replaced where, as is often the case, they are defective.

In my own county, as no doubt elsewhere, great progress has been made in the introduction in village schools of practical subjects, especially manual training in woodwork, gardening and cookery, and of nature study, as associated with practical horticulture on the one hand, and with colour drawing, notes, and first-hand investigation of animal and vegetable life, on the other. Music and musical instruments have been brought up to a better general standard.

We have found it convenient, as a matter of office detail and control, to have a common form of time-table, in duplicate for all schools, varying in detail, of course, school by school. The second copy is filed in the Education Office for reference. A circulating library, from which boxes of books are issued to all schools and classes, exists in Cambridgeshire.

Important assistance to the general body of teachers is given by classes in special subjects of teaching at central points. Not only do such classes enable teachers to develop their own powers as instructors and to obtain additional qualifications which are recognised in their remuneration, but they interest the whole teaching staff in the general work of education, and create an *esprit de corps* which is of value. What one may classify as the current training of the teacher in this form has only become possible under the new administration, and is a feature very indicative of the value of this locally centralised system.

Medical inspection, the control of public health thus being effected from the child population side and through the home,

and the gradual raising of the standard of cleanliness and of attention to minor ailments are matters of large bearing, but are not so strictly educational as to warrant much reference to them here. The curative results are very large already, no doubt, in regard to personal defects in children which make ordinary education difficult or impossible. Many of the serious defects are now being met by classification and the drafting out of defectives into suitable institutions. This work is co-ordinated with school attendance problems on the one hand, and educational and health conditions on the other.

The progress and the endeavour which I have grouped together, rather unsystematically, I fear, in this sketch, point in the mass to what is, to my mind, an immense advance in public education itself, and to the growth of a much higher standard of thought and opinion in the general population throughout the whole country in its view of education and its objects. This standard may be further usefully built up, little by little, by inviting in many simple forms association of the parents with the work in the school. Small prize distributions and "Parents' Days" and other gatherings appeal to the family in various ways and are means which have been adopted under the new *régime* to this end.

I have only space to state with great brevity the effect of the great constructive work which these past ten years have seen in Higher Education, in the creation by the new authorities of secondary schools, and to some extent in other higher forms of education, collegiate and university. The progress is remarkable. The secondary school is now well established as a part—an essential part, of course—of our educational system, almost entirely wanting prior to 1902 in its effective and popular form. Free places, scholarships, the payment of railway fares of scholars, and in special cases of maintenance allowances, have combined to place all forms of higher education within reach of natural talent in every class of the population.

To touch the weak points, in conclusion:—I think the co-ordination of the University with the secondary and elementary education of the country requires serious attention; the institutional training of all classes of teachers, elementary and secondary (which may be classed with University education in a broad sense), is at present very incoherent and uneven in system; medical inspection and supervision of health and sanitary conditions should be made compulsory in secondary as well as elementary schools, and the improvement necessary in the fabric and surroundings of all schools should be generally facilitated, and should be enforced, where necessary, more effectively than at present in voluntary schools.

Subject to these obvious criticisms, my thesis goes to show

that the advance in the general education of the country, and of the attitude of the public towards it, as well as the actual constructive improvement in the machinery for bringing about and maintaining social and national progress under the Education Act of 1902, embody sound results founded on a statute with which the country may well be satisfied.

H. GEORGE FORDHAM.

FEATHER FARMING IN RHODESIA

The British South Africa Company has set apart an area of 12,000 acres of selected land as an ostrich farm. Four hundred acres of this land is irrigable and peculiarly adapted to the growth of lucerne, rape and other food-stuffs; the remainder will be divided into roomy and convenient paddocks. Experience has shown that birds imported from the Cape, if properly fed, will thrive and produce excellent feathers in Rhodesia, where the climate and the large enclosures rendered possible by the moderate price of land are distinctly favourable to the development of ostrich farming. The birds will be placed upon the ground at once so as not to miss a season, and satisfactory results are looked for with confidence by those in charge of the farm. When it is realised that prime white ostrich feathers realise from £30 to £60 per lb., and that the value of the feathers exported from South Africa in 1912 reached the large total of £2,610,000, it will be seen that this new departure should lead to far-reaching results.

MAN AND HIS PLANET

THE SHADOW OF RACIAL CONFLICTS

By G. H. LEPPER

To the careful observer of the trend of world politics it is becoming more and more evident that the great wars of the future are likely to be race wars—not in the sense that the recent conflicts in the Balkans were racial in their origin, but in the much wider meaning of the word—that is to say, fierce struggles for land-ownership between the chief root divisions (which might even be termed different species) of mankind. It is just possible that by the exercise of statesmanship of the planetary as distinct from the purely national order, a means may be found of averting the looming outbreaks, but if this is to be the case it is vitally necessary that action in the direction of removing the principal irritant causes should not be much longer delayed.

Recent events have shown that, notwithstanding the disastrous competition in armaments now in progress between the leading World Powers, there is a very general disinclination on the part of these Powers to indulge in actual hostilities with one another. The certainty that an outbreak of war between any two of the principal European nations would involve the entire continent in a conflict of which it would be quite impossible to forecast either the duration or the probable result, opposes a fatal obstacle in the path of even the most confident Chauvinist in control of foreign policy. For just so long as the present causes of friction between the European Powers persist there will be more or less risk of a sudden flare-up and the consummation of the ideal of a federated Europe will be delayed. But the emergence of the Western World from the dangerous crises of the Balkan wars with nothing more serious to regret than the memory of a little sabre-rattling was a hopeful sign of international equilibrium, and may eventually lead to a mutual agreement as to armaments and their limitation, far off as that concord appears to-day. The rapid growth of expenditure on armaments can lead to only two results: a devastating war, or a realisation

that the present insane rivalry is ruining all the participating countries and must be ended.

Sir Max Waechter, who in the last issue of *The Empire Review* ably dealt with this problem, has founded a league to promote European Federation and thus abolish the greater part of the present expenditure on defence. He points out that the economic waste in Europe caused by the maintenance of its armies and fleets and the withdrawal of huge numbers of men from profitable industrial employment is something like £1,000,000,000 annually.

With such a burden to be supported it is hardly to be wondered at that little attention is paid in Europe to the danger signals which have been flying for some time past in other parts of the world. Great Britain, as the nucleus of the greatest of the earth's Empires, with outposts in every continent, must naturally be more responsive to these indications than the countries whose tentaculæ are not flung so far afield. Including a vast Asiatic Empire, and a number of lands inhabited by other coloured races under its aegis, the British aggregation would be peculiarly vulnerable in the event of racial conflicts of the kind previously hinted at coming to pass. Further, we are actually in alliance with the most powerful of the coloured nations, yet at the same time certain of our own Dominions regard the citizens of that Power as undesirable and exclude them from their territories. The Britannic peoples have then a particular interest in both the European situation and the preservation of racial amity between the great root races of humanity.

Even though we may be prepared to view with optimism the future course of European history, it is difficult to be equally sanguine with regard to the constantly growing friction between root races in Asia, Africa and America, which has been brought about by the commercial penetration, annexation and colonisation of large areas of the earth's surface by peoples entirely alien in origin, appearance, habits and speech to the aboriginal populations. To these causes may be added the effects of slavery in the New World and the more modern system of importing indentured coolie labour. But, before passing on to deal with the present political and racial aspects of this planet, it will be advisable to group the multitudinous nations into several large divisions, each of which can be appropriately described as a "root race."

Now, although there is an amazing multiplicity of nations and tribes among the peoples of the earth, and an almost equal diversity of tongues, the task of eliminating all minor peculiarities and grouping nations by their present-day affinities (either of race, religion or colour) into a small number of distinctive divisions is not quite so difficult as it might seem. Thus we can

for convenience group all the different European peoples—Latins, Celts, Teutons and Slavs—as whites. This group must be further enlarged to include the emigrant European races which have spread over the earth until they now occupy almost exclusively both the Americas and Australasia, in addition to having secured political ascendancy over the whole of Africa (with the exception of Liberia and Abyssinia), India, Malaysia, most of Indo-China, the extensive archipelago of islands to the south of Asia, Siberia, Turkestan, and the islands of the Pacific. Indeed, the list of countries which are still, nominally at any rate, independent of white control is now an exceedingly short one.

Although the peoples of European origin are amenable to classification under a single group-name, this is almost the full extent of their homogeneity. The present military condition of Europe is sufficient evidence of the regrettable lack of harmony between them. Indeed, there exist the most bitter antipathies which have arisen partly as the result of past oppressions, partly through the inherited memories of feuds centuries old, and partly owing to commercial rivalries. Treaties and *ententes* notwithstanding, there is little love lost between the Slavs and the other European peoples; Frank and Teuton are deeply suspicious, and their mutual dealings are usually coloured with that scrupulous politeness which almost invariably veils, but does not quite conceal, a rooted dislike; Germans and Britons are partly afraid of one another and too much alike to become the closest of friends; Italians and Austrians, although they have sunk their differences to the extent of participating in the same alliance and have managed to come to an agreement to slice up Albania, economically, between them to the exclusion of other and perhaps more legitimate claimants, are still unable to refrain from building battleships against one another; and Russian designs in the Near East are regarded with suspicion by the rest of the Continent. In Africa there is abundant opportunity for friction to be generated between European Powers, as witness the Fashoda incident and the case of Morocco. The partition of Portuguese Africa, with its attendant dangers, is an ever-present possibility.

So far as can be seen at present the Anglo-French *rapprochement* is likely to last. This happy ending to a feud which had lasted almost since the break-up of the Roman Empire may indicate that other European blood feuds will eventually cease to contain dangerous potentialities. Probably the two most likely sources of future wars are the French dream of recovering the lost provinces of Alsace-Lorraine and the constant underground manœuvring for position between Austria-Hungary and Russia in the Balkans. Sir Harry Johnston has suggested a way in which the first of these might be abolished. His proposal is that Metz,

and the small district surrounding it, genuinely French in its affinities, might be ceded to France by Germany in return for concessions in Africa. This would solve the racial problem in the Rhine Provinces, at the same time giving France a more easily defensible frontier, while Germany would be the gainer by losing this small area which is alien to the Teuton in language and sentiment. The Russo-Austrian hostility, intimately connected as it is with Russia's ambition to possess an ice-free port, presents a more difficult problem for statesmanship to solve. Possibly a disintegration of the Dual Monarchy may eventually pave the way for a final settlement. Commercial rivalries, such as that between Britain and Germany, can surely be settled without recourse to war. It would be a most uncommercial undertaking, at any rate, to embark on hostilities which would ruin both countries for the purpose of extending business.

This brief survey of the existing situation in Europe would seem to indicate that the real dangers threatening the Western World are neither blood feuds nor trade jealousy, but rather that, owing to the constantly increasing size of Continental armies, the military castes will become so powerful that a war which will devastate all Europe will start over nothing at all. Too much steam will have been forced into the military cylinders of the nations and the heads will blow out in consequence. Even if this catastrophe be averted it would be rash to assert that wars between peoples of European origin will not occur again. Revolutions in Central and South America are certain to take place from time to time—Mexico, which under Diaz was the most free of all the Latin-American States from civil disturbances, is now in a condition of anarchy—and it is almost too much to hope that the world has witnessed the last war between the turbulent peoples of the Balkans. But these are local squabbles after all, and if the disaster threatened by the continuous expansion of the armaments of the Great Powers should fail to arrive, there is some ground for hoping that a loose form of federation may be entered into by the countries of Europe in the course of the next century or two.

After the whites we pass on to their dark-skinned Aryan relatives, the Indians and Persians. In this group it will be convenient to include a number of non-Aryan peoples, who have become absorbed by or inextricably intermixed with their Aryan conquerors, as well as certain neighbouring peoples of Semitic or Mongol stock. The habitat of the races included in this group extends over the peninsula of Hindustan, Ceylon, Persia, Afghanistan and Burma. A considerable number of emigrants from India are now to be found in Malaysia, South and East Africa, the West Indies, British Guiana, Fiji and the Pacific

slope of North America, where they are regarded with no little hostility by the white population, as recent events have only too plainly indicated. With the exception of the Persians and Afghans, whose independence is more nominal than actual, practically all are British subjects or the subjects of States under British suzerainty. The tiny settlements in India belonging to France and Portugal, which must have been overlooked owing to their insignificance at a time when they could have been seized without difficulty, are quite negligible exceptions.

Although more languages are spoken in Hindustan than the entire European group of nations with its much wider dispersion can boast, the Indo-Iranian division of mankind can probably be welded, in the course of time, into almost as compact and homogeneous a group, in spite of the religious antagonisms which have sundered its component peoples hitherto, but which are already showing indications of having lost much of their former antagonising powers. The inheritors of an older civilisation than their European relatives, they have been inclined to regard Western knowledge as crude and material in the extreme, but they have begun to realise that it has, in spite of these defects, served to provide its inventors with a command over natural forces which ensures to them the power of dominating all races which decline to avail themselves of modern mechanical discoveries.

Having perceived this much, the more intelligent Oriental races are seeking to graft European scientific knowledge on to their own more spiritual mental equipment. What the result will be is still a matter of conjecture, but when the process has been completed in the case of a large proportion of the dark Aryans it is fairly safe to prophesy that their day of subjection to the whites will have reached its midnight, and possibly the succeeding dawn will reveal an independent Indo-Persian State exercising sovereignty from the Euphrates mouth to the Chinese frontier. Such an event is, however, hardly likely to be witnessed in this century. Whether the peoples of the Malay Peninsula and the East Indian Archipelago will attach themselves to this Indo-Persian aggregation or whether they will gravitate towards the Mongols, to whom they are at least equally closely allied, is a speculation which need not concern us now. The more urgent question is the future relationship of the dark and white Aryans, and the answer to this depends very largely upon what the position of Indians in the self-governing Oversea British Dominions is to be in the immediate future, and what progress is made in India towards autonomy.

The future of the British Empire is indissolubly bound up with these questions. It must not be forgotten that India is one of the most densely populated portions of the earth's surface, and

thus one of the regions which requires an outlet for its surplus people. Where this outlet is to be found, without provoking friction between the emigrants from India and the other root races, is a question requiring very careful investigation. It cannot be shelved for long without giving rise to unfortunate consequences, the full measure of which it would be the height of rashness to attempt to forecast. And although the British Empire would be the primary and principal sufferer from the evils that would come to pass, the whole of Europe would be affected in a greater or less degree.

Passing eastward, the next important group of peoples is that which includes the Malays, Indonesians, Melanesians, and Polynesians. It is in the wideness of its distribution rather than in its numbers that the chief interest attaching to these scattered insular races lies. The Malays occupy a half-way house between the dark Aryans and the Mongols, both geographically and racially. They have been great wanderers in the past, colonising regions as far removed from Malaysia as Madagascar and New Zealand, for there seems no reason to doubt that the Malagasies of the great African island and the Maoris and Tahitians of the South Seas were primarily of Malay stock, although this has since been diluted with other elements. The Filipinos are doubtless largely of Malay origin and there is more than a suspicion that the Japanese can also claim partial descent from Malay ancestors. In the Melanesian tribes, whose chief home is New Guinea, there is a strong Negro element. Most of these people are under the rule of Britain and the Netherlands, but France, Germany, Portugal and the United States also have a number of subjects of the Malay-Oceanian race. Owing to its backward development this race is not now, nor is it likely to be in the near future, the cause of much friction, although the Dutch have had their share of native unrest in Insulinde. There are considerations connected with the possible solutions of other racial issues, however, which may involve the introduction of external complications into the future history of this interesting region.

The Mongol division, comprising peoples occupying Central and Eastern Asia, includes the inhabitants of China and its tributary nations, Japan, Korea, part of Russian Asia, and the greater part of Indo-China. During the past half century the Mongols have shown distinct migratory tendencies, and Yellow race colonies are now planted at many points in the two Americas, among the islands of the Pacific, in Malaysia and in the East Indies.

The Mongolian group embraces nearly a third of the total population of the planet, whether we include the Malays and the Amerindian tribes in this division or not. As yet, only Japan has

shown what European science applied by an Asiatic race is capable of, but there is no reason to suppose that the Chinese, who are in many respects superior to the Japanese, will not eventually prove equally apt imitators of the Occident. Fortunately, the Chinese are not an aggressive race by nature, or the future outlook of the world would be dark indeed. But even the mildest people can be goaded into action, and it has been shown that the Chinese make excellent fighting material when properly led. China has suffered more than any other country, but Turkey, from the depredations of her neighbours. Russia, Japan, Germany, Britain, France, and Portugal, have all annexed Chinese territory in greater or less quantity, and the Celestial Empire has been mulcted financially by the Powers without compunction. Yet the Chinese have shown surprisingly little resentment, and if they are treated justly by the White race there is probably little reason to fear them, except as economic rivals. If their rights as fellow terrestrials are totally ignored by the now dominant Whites they may, however, with the active aid of the Japanese, prove very formidable enemies. The relationship between the White and Yellow races in the Pacific is one of the three most difficult racial problems that the world will shortly be called upon to solve if serious conflicts are to be prevented. The other two are the position of Indians in the British Empire and the regulation of the relations between Whites and Negroes in Africa and the New World.

At the present time discriminatory legislation directed against the Mongolian peoples is applied in several of the British countries and in the United States and certain American insular possessions. Practically absolute exclusion is enforced in Australia, New Zealand, the Philippines and the Hawaiian Islands. In the latter group the Chinese and Japanese together account for the bulk of the population. Chinese are virtually excluded from the United States, and to enter Canada they must pay a poll-tax of £102 10s. Yet so eager are they to settle in the Dominion, that in 1911-12 the sum of £626,650 was paid into the Canadian Treasury by way of poll-tax on Chinese immigrants. The number of Japanese allowed to enter the United States and Canada annually is regulated by arrangement with the Japanese Government. Western American nervousness with regard to Oriental immigration has been abundantly illustrated in recent years by the anti-Japanese land laws passed by the State of California, and the endeavours of the Government of British Columbia to prevent the immigration of British Indians. In British South Africa stringent restrictions are also in force.

Of recent years quite a number of Japanese have settled in Mexico (in some cases, no doubt, as a preliminary to crossing the

border into the United States) and in South America, where their presence does not appear to be exciting the apprehensions of the Latin Americans as yet. Whether this tolerant attitude will continue, or whether it will give way in the face of a large extension of Mongolian immigration it is difficult to foresee. When the search for a possible outlet for the millions of Mongols for whom there is no room in their fatherlands is begun, it must not be lost sight of that South America is, next to Australia, the emptiest of the continents. Owing to the great dispersion of the adventurous white race it has encroached in more than one direction on regions more suited to other species of humanity. Consequently, if the problem of racial distribution is to be satisfactorily settled, some sacrifices on the part of the Europeans are inevitable.

Turning now to Africa there remain two racial groups to be mentioned. Of these the larger is the Negro or Black race, which inhabits the greater part of the second largest of the continents, and, though not of its own volition, has important colonies in the Americas and the West Indies. With the exception of the countries along the northern coasts and the region south of the Zambesi River the entire continent of Africa is, and must for the most part remain, the black man's country, to whatever other race it may owe political allegiance. Indeed it has yet to be proved whether even the White colony in the extreme south can maintain itself as a pure European nation in the face of the numerical pressure which the Blacks can exert. As for the remainder of the Negro portion of the continent, with the possible exception of a limited highland area in East Africa, no White settlement is either feasible or desirable, even were the climatic conditions less unfavourable to people of European origin. There are two independent Negro States; the rest of the Blacks are British, French, German, Portuguese, Spanish and Belgian subjects. The continent as a whole is very thinly populated, coming between North America and South America in this respect. It is already the home of a considerable Semitic and Indian population, and there seems good reason to anticipate that the latter element will steadily increase. Eastern Africa is in many respects the most likely region for Indians to colonise, its comparative proximity and climatic suitability being outstanding points. For many centuries Arab influence has made itself felt along the East Coast of Africa and the natives are accustomed to the presence of Asiatics. Hence the future of Tropical East Africa is likely to be beset by many-sided racial complications.

The other important racial division is that which, although it probably has no very strong ethnological basis, may be made to embrace the Turks and the peoples subject to the Ottoman

Empire in Asia Minor, Arabia and Syria, the Egyptians, Berbers, Kabyles, Moors, Mediterranean Jews and the mixed Hamitic and Semitic tribes of Northern Africa. The habitat of this group extends over a small corner of Europe, a not inconsiderable portion of Asia, and the littoral and hinterland of Northern Africa from the Red Sea to the western frontier of Morocco. Much mixed with Hamitic and European stocks in places, it is probably only in Arabia that the pure Semitic element survives in its original form. European colonies are dotted along the Mediterranean shores of the Semitic-Hamitic countries, all of which are under the political domination of the Whites, with the exception of the much reduced dominions of the Turk. Egypt is nominally a vassal State of Turkey, but actually a British Protectorate, and likely to become an autonomous portion of the British Empire eventually. Next door to Egypt are Cyrenaica and Tripoli—the two forming Italian Libya—desert for the most part, but not too sterile to have excited the desire for possession in the hearts of the modern Romans. Adjoining the Italian Colony is French North Africa—Tunis, Algeria, and the Gallic sphere in Morocco. The coast districts of these countries resemble Southern Europe, and they have been Europeanised in many respects, Algeria being actually part of France for political purposes. An extensive railway system has been constructed, and there is not much likelihood of French dominion coming to an end. In Morocco neither France nor Spain can yet be said to have secured a firm seat in the saddle. Although the country has been partitioned on paper the Moors remain their own masters for the time being.

There is little prospect of any relaxation of European rule in Northern Africa. With a certain amount of luck and by paying a little more attention to the rules of passably good government, the Turk may succeed in staving off the threatened division of his remaining territory among the Powers, although if he should do so international jealousies will doubtless have been very largely accountable for his good fortune. Egypt's position with regard to the Suez Canal renders some sort of British control over that country a strategic necessity, while war remains the final court to which international disputes are carried. *Amour propre* will ensure the retention of Libya by Italy. It has already been indicated that the French are deeply rooted in Tunis and Algeria, and Morocco must probably soon undergo the same experience as her sister Barbary States.

Nor is there anything to deplore in the continuance of European rule over Northern Africa. Not since the days of Assyrian and Chaldæan splendour has the Semitic race shown any capacity for administration; Turkish rule is notoriously bad, and the mixed races included in the group under discussion are not equal to the

task of conducting the government of the countries they inhabit according to modern standards. Corrupt and inefficient administration or absolute anarchy seem to be the alternatives in these countries, without European guidance. It is then better for all concerned that the whites should continue to govern the Semitic countries and, provided that the interests of the indigenous races are not allowed to suffer by this arrangement, the ultimate effect of the close intimacy which will subsist between them and their European guardians may be amalgamation, though at a very distant date. Were it not for the barrier opposed by the Sahara, fusion between the people of North Africa and the Negro races to the south would seem even more probable, owing to their possession of a common religion; for Islam has spread far into the heart of Africa, where it is a much more serious rival to Christianity than the indigenous heathen beliefs.

The other small subdivisions which provide ethnologists with so much food for speculation do not call for detailed classification. The Maoris and the Amerindian tribes of the New World are alike in process of absorption, though the latter are likely to leave their mark on the assimilating Whites in Central and South America. The Australian blacks will doubtless go the way of the extinct Tasmanians. As for the Malagasy inhabitants of Madagascar, in spite of their supposed Malay origin, it is probable that their future destinies will be linked with those of Negro Africa. The Esquimaux and other Hyperborean peoples are too few in numbers to give rise to any racial disputes, even if the regions they inhabit were less inhospitable than is actually the case.

We have then to take cognisance of the following racial groups:—Whites, Dark Aryans, Malay-Oceanians, Mongols, Negroes and the compound Turco-Semitic-Hamitic peoples of Western Asia and Northern Africa. Gathering all the brown and yellow Asiatics under one head we can construct the following tabular classification of races:—

<i>Division.</i>	<i>Subdivisions.</i>	<i>Races Included.</i>
Whites	{ Pure European	{ All the European nationalities and their Colonists of undiluted stock.
	{ Mixed races	{ Aborigines of North and South America, Maoris, and other races in process of absorption.
Asiatics	{ Dark Aryans	{ Indians, Persians, Afghans, Burmese and Cingalese.
	{ Malay-Oceanians	{ Malays, Indonesians, Melanesians, Filipinos and Polynesians (except Maoris).
	{ Mongols	{ Chinese, Japanese, Koreans, Tibetans and Central Asians.

<i>Division.</i>	<i>Subdivisions.</i>	<i>Races Included.</i>
Negroes	—	{ West, Equatorial and South African aborigines and their New World Colonies.
Semitics	{ Ottomans Semites Hamites	{ Turks, Anatolians, etc. Arabs, Syrians, Berbers, Moors and Jews, Egyptians and other dark-skinned North Africans.

It is principally the present relations and sources of friction between the white race and each of the other three groups which require to be studied and adjusted, if the ideal of a world-state in which all races and creeds may live in harmony is ever to be realised, since it is in the white race that colour prejudice is strongest. To grasp the real nature of the problem it will be necessary to examine the racial distribution and the present political aspect of the earth at some length. Then the present impacts of one race upon another call for somewhat detailed treatment. Having acquired a general view of the issues involved the ground will have been cleared for an attempt at the erection of a framework about which a permanent structure for the preservation of racial amity may be built up. The demarcation of a number of definite racial zones of colonisation is an idea which appears to offer considerable promise in this direction, and the possibility of arriving at some such arrangement will receive attention in a subsequent article.

G. H. LEPPER.

SIDELIGHTS ON COLONIAL LIFE

Imperial Institute.

The principal aim of the Colonial and Indian Collections in the Public Exhibition Galleries at the Imperial Institute is, we are told in the report on the work of the Institute for 1912, just circulated as a parliamentary paper, to illustrate by means of exhibits, chiefly consisting of raw products and primary manufactures, the commercial and industrial resources of the various parts of the British Empire. By the provision of specially prepared descriptive labels for the exhibits much has been done to render them more attractive to visitors and to a large extent self-explanatory. Additional information is supplied when required by the Technical Superintendents, whose offices are adjacent to the galleries. Parties of visitors, including parties from schools, may, by arrangement, be accompanied through the galleries by the superintendents, who explain the important features of the exhibits. The London County Council, the Report adds, has shown special interest in the last-mentioned arrangement, and recognises its value in relation to the teaching of the commercial geography of the British Empire in schools in and near London.

What is regarded as a "notable" increase has taken place in the number of students from schools and other educational institutions who have visited the Exhibition Galleries. During the year 1912 it appears that 112 parties from schools, comprising 3,092 persons, attended—not a great visitation when one remembers the population of the United Kingdom is over 45,000,000. What must have been the number in 1911!

A large part of the exhibits of agricultural produce in the Canadian Court were renewed during the year and decorative improvements made. That portion of the Canadian exhibits which was in the Upper West Gallery has been transferred to the North Gallery, thus rendering the Canadian section continuous on one floor. Progress was made with the arrangement of a new Court for Newfoundland, and also with the reorganisation of the Union of South Africa Court. Rearrangement and improvements were made in the British Guiana and British Honduras Courts.

At the instance of the Ceylon Government and the Ceylon Planters' Association, a new pavilion has been erected as an extension of the Ceylon Court, and is in process of decoration and equipment. Additional exhibits have been received for the Courts of India, Ceylon, Straits Settlements and Federated Malay States, Hong Kong, Cyprus, Union of South Africa, Mauritius, Seychelles, Nyasaland, British East Africa, Uganda, the Anglo-Egyptian Sudan, Gold Coast, Northern Nigeria, Southern Nigeria, Sierra Leone, Canada, British Guiana, Dominica, St. Kitts, Antigua, Falkland Islands, New Zealand, Fiji, Western Pacific, New South Wales, Papua.

Farming Profits in Ontario.

In the crop competition conducted by the Ontario Department of Agriculture, twenty-six young tillers of the soil have won free courses in seed and stock judging at the Agricultural College. The contest was that of obtaining the highest net profit out of an acre of ground from any crop selected by the candidate. The yields of the various crops doubled and trebled the average yields per acre in the last ten years in Ontario. For instance, a Thunder Bay district farmer produced upon one acre 427 bushels of potatoes at a net profit of \$231.45. The provincial average is only 113 bushels. A York County farmer made the highest net profit in oats, with a return of \$18.60 from 82 half-bushels. The ten-year average is 36.6 bushels. Two winners in barley raised 55 and 56 bushels on their acre, compared with a provincial average of 30.5 bushels. And in other crops the record making was sustained. The results show what can be done by the use of up-to-date methods. Probably in each case the acre used was the richest available, and unusual care was given to seed selection and fertilising. Nevertheless the competition demonstrates how far the farmers, on the average, are from getting the best out of their fields.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

HOME politics have dominated the Stock Exchange during the past month, with the result that prices of investment securities have suffered a general reaction. There is every indication, however, that, given a settlement of the Irish crisis, the markets will respond to the continued monetary ease. As it is, colonial government securities, farther removed from the centre of the area of disturbance than Consols and their kin, have enjoyed comparative steadiness despite the disturbed conditions of the market.

Borrowing in England to the extent of £6,175,000 and in India to the extent of £3,333,300 is contemplated by the Indian Budget for 1914-5. The total capital expenditure of the year is estimated at £14,729,500, of which £12,000,000 is for railways, but the revenue surplus will provide £1,279,800, savings bank receipts £1,772,100, the famine insurance grant £201,500, and deposits and remittances £544,600, while the reduction of cash balances will give the remaining £1,423,200.

According to the revised estimate for the year just closing both the revenue and the expenditure of India will considerably exceed the Budget estimates, but the surplus will be practically the same as estimated. For the coming year it is anticipated that there will be an increase of £771,200 in the revenue and one

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
3½% Stock (t) . . .	91,276,210	1931	89	3½%	Quarterly.
3% " (t) . . .	66,480,596	1948	76	3½%	"
2½% " Inscribed (t) . . .	11,892,207	1926	63	4	"
3½% Rupee Paper 1854-5	..	(a)	95½	3½%	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½%	30 June—30 Dec.

(t) Eligible for Trustee investments.
 (a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	75½	31½
Bengal and North-Western (Limited)	3,000,000	8	100	155	5½
Bengal Doocars, L.	400,000	6	100	103½	5½
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	5	100	115	4½
Burma Guar. 2½% and propn. of profits	3,000,000	4½	100	108	4½
Delhi Umballa Kalka, L., guar. 3½% + } net earnings	800,000	9½	100	187½	5½
East Indian Def. ann. cap. g. 4% + ½ } sur. profits	1,721,949	6½	100	98½	6½
Do. do, class "D," repayable 1953 (t)	4,828,051	5½	100	119	4½
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	110	4½
Do. new 3% deb. red. (t)	3,000,000	3	100	74	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ¼ surp. profits 1925 (t)	2,575,000	4½	100	100	4½
Madras and South Mahratta	5,000,000	5	100	113½	4½
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	99	5
Do. 3½% red. mort. debts.	1,063,300	3½	100	80	4½
Rohilkund and Kumaon, Limited	400,000	7½	100	154½	4½
South Behar, Limited	379,580	5	100	103	4½
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	163x	6½
Do. 3½% deb. stock red.	500,000	3½	100	81	4½
West of India Portuguese Guar. L.	800,000	5	100	92	5½
Do. 5% debenture stock	550,000	5	100	100½	4½
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China	60,000	16½	20	63	5½
National Bank of India	80,000	14	12½	42½	4½

(t) Eligible for Trustee investments.

(x) Ex dividend.

of £819,300 in the expenditure. A decrease of £159,300 in the net receipts from railways is estimated, but this is apparently due to the recent change in the date to which the railway accounts are made up, last year's payments of surplus profits to the companies not representing a full year's charges.

The most important new issue of the month has been that of £5,000,000 of 4 per cent. stock by the Dominion of Canada, offering through the Bank of Montreal, the Dominion's financial agents, at 99. The issue took the market by surprise, and there was a good deal of criticism as to the extent of the Dominion's borrowing during the past year. In these and other circumstances only 22 per cent. of the issue was subscribed by the public, but it has been in good demand in the market subsequently and is now quoted at a premium. Being a trust investment of the front rank, redeemable at the latest in 1960, the stock is eminently suitable for trustees and other investors who require 4 per cent. with irreproachable security. The issue was made to retire Treasury Bills shortly maturing, to enable

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . . .	28,162,776	1930-50*	94	3½ ³ / ₈	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1933	91	4½ ¹ / ₈	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock . . .	2,045,760	1941	79	4 ³ / ₈	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . . .	1,915,000	1950	94	4 ³ / ₈	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . . .	450,000	1949	93	4 ³ / ₈	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	84	4 ³ / ₈	1 Jan.—1 July.
ONTARIO.					
3½% Regd. Stock . . .	1,200,000	1946	87	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed	1,897,320	1937	80	4 ⁷ / ₈	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . . .	1,082,192	1951	91	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. . .	1,920,900	1930-42*	92	5 ¹ / ₈	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	91	5 ¹ / ₈	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4½	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	94	4 ³ / ₈	1 May—1 Nov.
Quebec 4% Debs.	385,000	1923	96	4 ⁹ / ₈	1 Jan.—1 July.
Regina 4½% Debs. . . .	382,500	1925-52*	90	5 ¹ / ₈	1 Jan.—1 July.
Toronto 4% Bonds . . .	300,910	1922-23*	95	4½	1 Jan.—1 July.
Vancouver 4% Bonds . .	121,200	1931	92	4½ ³ / ₈	1 Apr.—1 Oct.
Winnipeg 4% Regd. . . .	2,500,000	1940	92	4½ ³ / ₈	1 Apr.—1 Oct.

* Yield calculated on latest date.

the Government to complete purchases of Grand Trunk Pacific Railway Guaranteed Bonds, to complete advances to the Grand Trunk Pacific Company and for general purposes under the Appropriation Act of last year. The stock is now £39 paid, the two remaining instalments of £30 each being payable on April 21 and May 21 respectively.

Besides this Dominion issue there have been three further Canadian municipal issues during the month. The most important was that of £1,150,000 of 4½ per cent. Registered stock of the City of Winnipeg offered at 98 through the Bank of Montreal. The stock is redeemable in 1963 at the latest, and the proceeds are to be employed for various necessary public works

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	10	\$100	211	4 $\frac{1}{8}$
Do. 4% Preference . . .	£15,173,563	4	Stock	92x	4 $\frac{5}{8}$
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	99	4
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	21 $\frac{3}{8}$	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	106	4 $\frac{1}{8}$
Do. 5% 2nd " . . .	£2,530,000	5	"	96	5 $\frac{1}{8}$
Do. 4% 3rd " . . .	£7,168,055	2 $\frac{1}{2}$	"	49 $\frac{3}{4}$	5
Do. 4% Guaranteed " . . .	£12,215,555	4	"	86	4 $\frac{5}{8}$
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	114	4 $\frac{3}{8}$
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	93	4 $\frac{1}{2}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	247	5
Bank of British North America	20,000	8	50	78	5 $\frac{1}{8}$
Canadian Bank of Commerce .	200,000	12	\$50	£21 $\frac{1}{2}$	5 $\frac{1}{8}$
Canada Company	8,319	50s. per sh.	1	21 $\frac{1}{2}$	11 $\frac{3}{8}$
Hudson's Bay	1,000,000	50	1	9 $\frac{3}{4}$	5 $\frac{1}{8}$
Trust and Loan of Canada . .	100,000	8	5	6 $\frac{3}{8}$	6 $\frac{1}{2}$
Do. new	25,000	8	3	3 $\frac{1}{2}$	7 $\frac{3}{8}$
British Columbia Elec. Def.)	£1,200,000	8	Stock	115	6 $\frac{1}{8}$
tric Railway . . .) Prefd.	£1,200,000	6	Stock	106	5 $\frac{1}{8}$

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds . . .	2,178,800	1941-7-8*	88	4 $\frac{3}{8}$	} 1 Jan.—1 July.
8% Sterling " . . .	325,000	1947	78	4 $\frac{5}{8}$	
4% Inscribed Stock . . .	320,000	1913-38*	100	4	
4% " " . . .	427,881	1935	99	4 $\frac{1}{8}$	
4% Cons. Ins. " . . .	200,000	1936	97	4 $\frac{1}{2}$	
3 $\frac{1}{2}$ % Inscribed, 1910 . . .	800,000	1950	90	4 $\frac{1}{8}$	

* Yield calculated on latest date.

and extensions. This issue brings the total debt of the city up to £3,750,000, against a rateable assessment for 1913 of £53,305,381.

An issue of shorter-term securities was offered by the City of Vancouver, £425,700 of 4 $\frac{1}{2}$ per cent. Debentures to bearer, redeemable in three series in 1923, 1928 and 1933 respectively, being offered at 98 $\frac{1}{2}$. With this issue the City's debt amounts to £6,500,000, whereas the value of the assessable property last year was £42,597,035. The debentures were issued to pay for certain street improvements, and are secured by special rates assessed upon the lands and properties to be benefited by such improvements, sufficient to provide for interest and sinking fund.

Point Grey, which is practically a suburb of Vancouver, has

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	103	3 $\frac{1}{8}$ %	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{3}{8}$ % " " (t)	16,464,545	1924	96	4 $\frac{1}{8}$ %	
3% " " (t)	12,475,800	1935	86	4 $\frac{1}{8}$ %	
VICTORIA.					
4% Inscribed, 1885 .	5,959,500	1920	102	3 $\frac{1}{8}$ %	} 1 Jan.—1 July.
3 $\frac{3}{8}$ % " 1889 (t)	4,981,750	1921-6†	96	3 $\frac{1}{8}$ %	
3% " (t) . . .	5,211,331	1929-49†	81	4 $\frac{1}{8}$ %	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	101	3 $\frac{1}{8}$ %	} 1 Jan.—1 July.
3 $\frac{3}{8}$ % " " (t)	4,834,334	1921-24†	96	4 $\frac{1}{8}$ %	
3% " " (t)	4,274,213	1922-47†	81	4 $\frac{1}{8}$ %	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	102	3 $\frac{1}{8}$ %	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	99x	4 $\frac{1}{8}$ %	
3 $\frac{3}{8}$ % " " (t)	2,517,800	1939	93	3 $\frac{1}{8}$ %	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	89	4 $\frac{3}{8}$ %	
3% " " (t)	2,760,100	1916 † or after.	75	4	
WESTERN AUSTRALIA.					
3 $\frac{3}{8}$ % Inscribed (t) . .	3,780,000	1920-35†	93	4 $\frac{1}{8}$ %	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t)	3,750,000	1915-35†	88	3 $\frac{1}{2}$ %	
3% " (t)	2,500,000	1927†	91	3 $\frac{1}{8}$ %	
TASMANIA.					
3 $\frac{1}{2}$ % Insobd. Stock (t)	4,156,500	1920-40†	92	4	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	100	4 $\frac{1}{8}$ %	
3% (t)	450,000	1920-40†	82	4 $\frac{1}{2}$ %	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

(x) Ex dividend.

also made an issue through the Bank of Montreal. In this case 5 per cent. Debentures, redeemable at par in series between 1953 and 1962, were offered at 90 per cent., the proceeds being required to redeem Treasury Notes and to meet expenditure on public works. The corporation's total debt, including this issue, is £881,069. Its assessed value for taxation last year was £7,660,819.

In view of the decrease that had been shown in gross receipts for the first month of the year, the monthly net revenue statement of the Grand Trunk system was no worse than had been expected. Whereas the gross receipts suffered a decline of £57,750, the decrease in net earnings was only £11,350, and £6,700 of this occurred on the Grand Trunk Western line.

Similarly on the Canadian Pacific a decrease of \$1,783,000 in gross earnings led to a decline of \$662,000 in net earnings. For

the first seven months of the company's financial year the aggregate decline in gross earnings is \$4,000, but the net earnings show a decline of \$583,000.

All the Australian States except Queensland have now issued loans in London since the beginning of the year, and an issue by Queensland is expected at any moment. Tasmania's loan just placed was for £1,500,000 in 4 per cents., offered at 99, the money being raised to redeem £800,000 of debentures and for loans to local bodies and for general public works. Eighty-one per cent. of the issue had to be taken by the underwriters, but the price has since risen to par in the market.

In its report and accounts for the past half-year the Commercial Banking Company of Sydney shows a net profit of £138,242. The dividend is again at the rate of 10 per cent. per annum while £50,000 is placed to reserve, making it £1,680,000, and the

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	99	4 $\frac{3}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb.	850,000	1915-22*	100	4 $\frac{1}{2}$	
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs.	1,650,000	1914-16*	101	4 $\frac{3}{16}$	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs.	128,700	1919	101	4 $\frac{3}{8}$	
Sydney 4% Debs.	300,000	1919	99	4 $\frac{1}{16}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff	12,000	5%	5	5 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£130,900	4 $\frac{1}{2}$	100	92	4 $\frac{1}{8}$
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	117	5 $\frac{3}{8}$
Bank of New South Wales	125,000	10	20	40 $\frac{1}{2}$	4 $\frac{1}{8}$
Union Bank of Australia £75	60,000	14	25	55 $\frac{1}{2}$	6 $\frac{1}{2}$
Do. 4% Inscribed Stock Deposits	£600,000	4	100	99	4
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	7 $\frac{1}{2}$	8 $\frac{1}{8}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	93 $\frac{1}{2}$	4 $\frac{1}{8}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{3}{8}$	6 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	101	4 $\frac{1}{8}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£998,530	4	100	85 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. B Income Reduced	£669,543	5	100	95 $\frac{1}{2}$	5 $\frac{3}{8}$
South Australian Company £15	14,200	£4	£4	63 $\frac{1}{2}$	6 $\frac{1}{2}$
Trust & Agency of Australasia	54,979	12 $\frac{1}{2}$	1	1 $\frac{3}{16}$	10 $\frac{1}{2}$
Do. 5% Cum. Pref. Stock	1,000,000	5	100	103 $\frac{1}{2}$	4 $\frac{1}{8}$

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	100½	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	102	3½	1 May—1 Nov.
3½% Stock (t)	17,543,932	1940	92	4	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	82	4½	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . . .	200,000	1934-8*	105	4½	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4½	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	9	5½	—
Do. 4% Gua. Stock† . .	£1,000,000	1914	100	4½	April—Oct.
Christchurch 6% Drainage Loan. . . .	200,000	1926	110	4½	30 June—31 Dec.
Lyttleton Hbr. Bd. 6%	200,000	1929	106½	5½	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	102	4½	
Do. 5% Debs.	200,000	1928	101	4½	
National Bank of N.Z. £7½ Shares £2½ paid	300,000	div. 13%	5	6½	Jan.—July.
Oamaru 5% Bds.	173,800	1920	99	5½	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	104	4½	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	102½	—	1 Mar.—1 Sept.
Do. 6% Waterworks . .	130,000	1929	110½	4½	1 Mar.—1 Sept.
Do. 4½% Debs.	165,000	1933	101	4½	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	98	4½	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

undivided surplus is increased from £56,987 to £57,729. In addition to the eight branch buildings that have been completed during the half-year, the bank's new and extensive premises in Elizabeth Street, Sydney, have been finished and most of the offices not at present required for the business of the bank have been let to good tenants. According to the last balance sheet the deposits and other liabilities of the bank amounted to £21,156,321 while the coin and bullion in hand amounted to £4,949,989.

While it shows an increase in the average daily production as compared with that of the preceding month, the latest monthly return of gold from the Transvaal compares very unfavourably with that for the corresponding month of last year. The following table gives the monthly returns for several years past.

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . .	2,768,470	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836
February . .	2,660,186	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892
March . . .	—	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498
April . . .	—	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804
May	—	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699
June	—	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818
July	—	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965
August . . .	—	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646
September .	—	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760
October . . .	—	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902
November . .	—	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146
December . .	—	2,857,938	3,297,962	3,015,499	2,722,775	2,569,822
Total * . .	5,428,656	37,353,040	38,757,560	34,991,620	32,002,912	30,925,788

* Including undeclared amounts omitted from the monthly returns.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Consold. 4% Stock (t).	4,000,000	1943-53	98	4 $\frac{1}{8}$	1 Mar.—1 Sep.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	102	4 $\frac{7}{8}$	15 Apr.—15 Oct.
4% 1883 Inscribed . .	3,636,395	1923	102	3 $\frac{1}{2}$	1 June—1 Dec.
4% 1886 "	9,596,166	1916-36*	100x	4	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t) . . .	14,890,744	1929-49†	92	3 $\frac{1}{2}$	1 Jan.—1 July.
3% 1886 " (t)	7,484,740	1933-43†	82	4 $\frac{1}{8}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876 . . .	758,700	1919	103x	3 $\frac{1}{8}$	15 Mar.—15 Sep.
4% Inscribed (t) . . .	3,026,444	1937	101	4	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	92	4	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	82	4	1 Jan.—1 July.
TRANSVAAL.					
3% Guardt. Stock (t) .	35,000,000	1923-53†	93	3 $\frac{5}{8}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee investments.

(x) Ex dividend.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Bloemfontein 4% . . .	£ 763,000	1954	92	4 $\frac{7}{8}$	1 Jan.—1 July.
Cape Town 4%	1,851,850	1953	95	4 $\frac{1}{2}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4 $\frac{5}{8}$	30 June—31 Dec.
Johannesburg 4% . . .	5,500,000	1933-4	92	4 $\frac{1}{2}$	1 April—1 Oct.
Krugersdorp 4%	100,000	1930	91	4 $\frac{1}{2}$	1 June—1 Dec.
Pietermaritzburg 4% .	814,855	1949-53	91	4 $\frac{1}{2}$	30 June—31 Dec.
Port Elizabeth 4% . . .	369,068	1964	91	4 $\frac{7}{8}$	30 June—31 Dec.
Pretoria 4%	1,250,000	1939	92	4 $\frac{5}{8}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	93	4 $\frac{1}{8}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	94½	5½
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915.	£1,931,800	5	100	98	5⅛
Trans-African 5% Debs. Red.	£1,843,800	5	100	80½	6⅞
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	5½	6⅞
Natal Bank £10	148,232	8	2½	2½	8
National Bank of S. Africa £10	131,690	6	10	11½	5⅞
Standard Bank of S. Africa £20	309,705	14	5	12	5⅞
Ohlsson's Cape Breweries	60,000	8	5	5½	7⅞
South African Breweries	965,279	17½	1	1⅞	9
British South Africa (Chartered)	8,937,559	nil	1	8½	nil
Do. 5% Debs. Red.	£1,250,000	5	100	101	4⅞
Natal Land and Colonization	68,066	6½	5	4	8½
Cape Town & District Gas Light & Coke	10,000	nil	10	3½	—
Kimberley Waterworks £10	45,000	5½	7	6½	6⅞

There was, however, some further slight improvement during the month in the native labour supply, though this, too, compares very unsatisfactorily with that of a year ago. The figures in the following statement relate to the native labour supply at the gold mines.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1913 .	8,774	200,090	January 1914 .	4,190	154,202
February „ .	7,572	207,662	February „ .	3,471	157,673
March „ .	71	207,733	—	—	—
April „ .	2,309*	205,424	—	—	—
May „ .	7,780*	197,644	—	—	—
June „ .	8,550*	188,094	—	—	—
July „ .	17,852*	170,242	—	—	—
August „ .	12,019*	158,223	—	—	—
September „ .	5,586*	152,637	—	—	—
October „ .	3,755*	148,882	—	—	—
November „ .	1,313*	147,569	—	—	—
December „ .	2,443	150,012	—	—	—

* Net loss.

Although it was only a short month, February's output of gold from Rhodesia was the highest on record, amounting to £259,888, whereas the previous highest was £257,797 for March last year, as will be seen from the following statements giving the returns month by month for several years past.

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . . .	249,032	220,776	214,918	207,903	227,511	204,666
February . . .	259,888	208,744	209,744	203,055	203,898	192,497
March	—	257,797	215,102	231,947	228,385	202,157
April	—	241,098	221,476	221,296	228,213	222,700
May	—	242,452	234,407	211,413	224,888	225,032
June	—	241,303	226,867	215,347	214,709	217,600
July	—	249,301	240,514	237,517	195,233	225,234
August	—	250,576	239,077	243,712	191,423	228,296
September . .	—	250,429	230,573	225,777	179,950	213,249
October	—	247,063	230,072	218,862	234,928	222,653
November . . .	—	239,036	225,957	214,040	240,573	236,307
December . . .	—	254,687	218,661	217,026	199,500	233,397
Total	508,920	2,903,267	2,707,868	2,647,895	2,569,201	2,623,788

While the success at the Rhodesian elections of the candidates pledged to support a renewal of the Charter has been favourably received in the Rhodesian market, there has been not much revival of interest in Chartered shares, pending the action of the Imperial Government and the decision of the Privy Council with regard to the land question.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	83	4 $\frac{3}{8}$	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4 $\frac{1}{8}$	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	101	3 $\frac{3}{4}$	15 Feb.—15 Aug.
Do. 3% ins. (t)	2,850,000	1940	84	4 $\frac{1}{8}$	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88x	4 $\frac{1}{8}$	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . .	1,099,048	1934	101	3 $\frac{3}{4}$	15 Feb.—15 Aug.
Do. 3½% ins. (t)	1,493,600	1919-49†	89	4 $\frac{1}{8}$	24 Jan.—24 July.
Mauritius 3% guar. } Great Britain (t) . }	600,000	1940	91½	3½	1 Jan.—1 July.
Do. 4% ins. (t)	482,390	1937	99½	4 $\frac{1}{8}$	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1923-54†	89	4 $\frac{1}{8}$	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	99	4 $\frac{1}{8}$	15 Mar.—15 Sep.
Do. 3% ins. (t)	600,000	1922-44†	78	4 $\frac{3}{8}$	15 Jan.—15 July.
Hong-Kong & Shang- } hai Bank Shares . }	120,000	Div. £4½	£80½	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

(x) Ex dividend.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,044,900	3	99	94	3½
" Unified Debt	£55,971,960	4	100	101	3½ $\frac{5}{8}$
National Bank of Egypt	300,000	8	10	15½	5½
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	5½	5 $\frac{3}{8}$
" " " Preferred	125,000	4	10	8	5
" " " Bonds .	£2,850,000	3½	100	82	4½

(t) Eligible for Trustee investments.

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LOCAL GOVERNMENT

A CRITICAL EXAMINATION AND SUGGESTED REFORMS

By H. DOUGLAS GREGORY

THE acute political controversies of the past decade have until recently overshadowed and kept in the background the problems and grievances of local government, but of late years signs have not been wanting that the whole question of local administration will in the near future have to be dealt with in a broad and comprehensive fashion.

By the Municipal Reform Act of 1835 the boroughs throughout the country were thoroughly reformed, and placed on a wholly representative basis: by the County Councils Act, 1888, and the Parish Councils Act, 1894, order was evolved out of the chaos of rural institutions—local administration was centralised. The foundation of these various Councils and the increasing devolution of social and industrial administration into their hands during the past twenty years have led to a new set of problems.

These problems can be summed up in the one word—finance. In the first place, the larger duties thrown on local bodies in connection with education, poor relief, public health, and allied departments have led to a big advance in rates. The advent of motor traffic has enormously increased the cost of road upkeep, and has in its turn contributed to the general tendency.

Now the sources of this increased departmental expenditure are largely national, not local. Consequently, in strict fairness, a large share of the cost should be borne by the Imperial Exchequer, and should not burden the local rates. For several years this has been urged by different public men, and it is gratifying to notice that at last the justice of the contention appears to be receiving recognition. There seems every prospect of effective action being undertaken in the near future to remedy this particular grievance. Thus in the recent Report of the

Departmental Committee on Local Taxation, the recommendation is made: "That the more important services which we consider should be included in the category of semi-national services are:— Education, Poor Relief, Police, Public Health, Criminal Prosecution, Mental Deficiency and Main Roads." And it is suggested that an increase of £4,700,000 should be made in the Government grants towards these departments of local administration.

The proposal seems eminently reasonable. It cannot be denied that one and all of these services are largely national, and the increase recommended in the Imperial grant would no doubt prove a material easement of local burdens. Under the Committee's scheme, local authorities would receive an additional £2,385,000 towards the cost of elementary education. Grants of £1,800,000 for main roads, and £600,000 for county roads are also proposed, the classification to be in the hands of the Road Board. One half of the cost of main roads and a quarter of the cost of county roads, it is suggested, should be contributed by the Exchequer, the balance of the cost of main roads, and one quarter of county roads to be borne by the county funds, and the remaining half of the cost of county roads to be chargeable to the highway district responsible for their maintenance.*

In connection with the suggested increase in the Imperial grant a warning note is struck by the *Times*. Whilst cautious approval is expressed, it is pointed out that:—

Whether the shifting of the burden in this way (i.e., from local to Imperial shoulders) is so desirable that the process ought to be accelerated as much as possible for its own sake is another question. The amount of Government grants has risen from less than 8½ millions to 21½ millions in twenty years; and in our opinion the items need careful scrutiny.†

This is certainly a serious increase, but it is largely due to the greater importance placed by the Imperial Executive itself on social and industrial development. Whether the whole of that further development has been salutary and justifiable is another matter, but if the Imperial authorities make these larger requirements, it is only fair that they should help pay for them by means of increased grants. The total volume of expenditure in these departments has doubtless been also swollen by local incompetence and extravagance, but the Local Government Board—a branch of the Imperial Executive—is partly to blame for this, inasmuch as these vices have to a certain extent been possible owing to lax control. The Committee advocate that all grants should be conditional on efficient administration, and if the Local Government Board fulfils its duty by carrying out

* See the *Times* summary of the Committee's Report.

† See the *Times*, April 1, 1914.

proper supervision in this respect, there can be no adequate objection to the proposed increases.

But apart from the increase in rates necessitated by the development of national projects this advance has been partly due in many instances to extravagant and so-called progressive management on the part of municipalities. The lavish expenditure incurred has fallen under two heads—wasteful administration of local services such as tramways and work-houses for example, and reckless development of municipal trading.

This latter form of municipal activity has of late years shown a tendency to assume unwarrantable proportions. The subject is a difficult one on which to dogmatise, but I think it can be stated with some confidence that only those classes of industry essential to the convenience and well-being of the community are legitimate spheres for municipal activity. Thus, in general, the control of tramways, the supply of light and water, the provision of parks, museums, and libraries, are undertakings which may advantageously and rightly be pursued by and for the community. Although it is worthy of remark that if there be already in existence in any locality private companies providing at reasonable rates an efficient tramway service, or an efficient and adequate lighting or water supply there is no proper and sufficient reason for municipal interference.

The ideal to be achieved is the limiting of municipal trading to the narrowest limits compatible with public welfare—not its unlimited extension. I regard as most objectionable the tendency for municipal corporations to embark on a policy of competition or initiative in those branches of commercial activity not essential to the common well-being. The provision of golf-links and the suggestion of municipal theatres or of subsidies towards private theatres are movements in a wholly improper direction. Local authorities have no right to embark on a policy of speculation—a policy which in many cases has led to loss and consequent increase in the burden of the rates.

And apart altogether from the financial aspect of the matter, this large extension of municipal trading is most unfair to the private trader. It is one more link in an economic chain which of late years has fettered and shackled him, and which threatens to crush him practically out of existence. Powerful and monopolistic competition has arisen in the form of huge industrial enterprises; amalgamation has become the order of the day. A large extension of municipal trading is but one more evidence of the prevailing spirit—a spirit which tends to crush individuality, and to eliminate a class enjoying a moderate and reasonable degree of prosperity, substituting in its place a body of indifferently paid employees.

Especially are the dire effects of this new commercial system evident in the small country towns. Year by year the number of independent and prosperous country traders—the men who under the old system were the backbone of the small urban districts from the rate-paying and social point of view—is steadily and gradually decreasing, and in their place appear the branch shops of co-operative societies and great retail stores. The independent proprietor is replaced by an under-paid manager, wholly unable to assume any important part in the social and financial responsibilities of the town. This feature, in my opinion, is one of the most grave and difficult problems of modern commercial life. It is adding enormously, in the rural districts, to the problem of the rates, and it is most unfair, most impolitic to enhance the tendency by indiscriminate municipal trading.

Municipal trading is indeed but one form of the spirit of municipal aggression—a spirit which is most prominently shown in two separate tendencies: the passion for absorption of small surrounding localities, and the desire of every borough of 50,000 or more inhabitants to achieve that height of civic dignity—the status of a county borough.

The first-named tendency has of recent years been responsible for a heavy increase in rates. To achieve the desired extension a fierce and costly Parliamentary struggle has often to be waged with the smaller locality. Sometimes the attempt is unsuccessful in the first instance, and victory is finally bought at a heavy price indeed—the cost of two or more Parliamentary Bills.*

The argument advanced for the aggressor is always the same—the smaller community enjoys the benefit of its great neighbour's enlightened wisdom in supplying public services. Possibly it obtains its water and lighting supply from this progressive representative of civic virtue, and probably it has the audacity to use its neighbour's electric tramcars. And then many of its members earn their daily bread in the adjoining borough, or have the impertinence to invade the shops of the town for their purchases. It is therefore grossly unjust, and indeed highly insulting that these delinquents should not be brought within the civic boundaries, and forced to pay the civic rates. They should help support in taxation the town they are constrained by force of circumstances to patronise.

Now in nine cases out of ten this is mere twaddle. The members of the smaller locality, it is true, commit daily all the unspeakable enormities above-mentioned. But they pay handsomely for doing so. To hear the supporters of civic majesty

* Even the procedure by means of a Provisional Order of the Local Government Board will, in addition to the legal expenses of a protracted inquiry, frequently entail heavy Parliamentary expenses also.

retail their woes, one would imagine that these neighbouring miscreants descended from their retreats and daily took toll of the borough services and markets free, gratis, and for nothing. But this, of course, is not so. The offending community pay for using the Corporation's tramcars and for burning the light, frequently of execrable quality, so kindly supplied them by a long-suffering municipality. They pay every time they enter a shop in the town. In all these ways they are contributing materially to the welfare of the borough. They are giving a fair return (and often more than a fair return) for the advantages (in many cases somewhat questionable) granted to them. The so-called argument is too thin to hold water.

The smaller community generally has other reasons besides a sense of local self-importance for opposing the suggested incorporation. As a separate entity they frequently enjoy lower rates than they would do as a portion of the adjoining borough, and sad and humiliating to relate, often they obtain better value for their money under separate administration than they have any prospect of doing under the control (in many cases grossly incompetent) of the neighbouring corporation.

This desire for expansion has of late been carried much too far. Parliament and the Local Government Board have shown themselves too lax and indulgent in the way in which they have sanctioned these wholesale aggressions. It is not in the public interest that civic greed should be encouraged. Where there is a majority of members in the smaller community opposed to incorporation, the extension should not be authorised unless it could be clearly shown that the administration of the smaller locality is incompetent, and that its members would derive clear advantage from amalgamation, or that the extension is absolutely necessary in order to provide for the vital administrative interests of the existing borough.*

The other form of municipal aggression—the attempt of those boroughs of 50,000 inhabitants and over to secure the status of county boroughs—is one which also has become very prominent during recent years. In most instances the grant of this privilege is very unfair to the county authority from whose jurisdiction the town is taken. In mainly agricultural counties such a course means that the concession of independence to those boroughs which are eligible deprives the county authority of the principal source of their revenue, and they are thrown back for support on the purely rural districts in respect of such important and expensive services as education and road upkeep. Those least

* Competent administration in the past should also be an absolute *sine qua non* for the grant of the petitioning borough's application. It is not desirable to extend the boundaries of an incompetent local authority.

able to pay have in future to bear the burden of administration. Such a policy is most unfair, and of course it is bound to foster inefficiency, since the impoverished area is not in a position to afford the outlay necessary to secure effective administration.

It seems to me that where it is shown that a county is preponderatingly rural in character an application on the part of a borough to secure the higher status should be disallowed, unless it could be proved that the town was suffering from the incompetent and backward administration of the superior authority. In such a case there are reasonable grounds for seeking administrative independence. Where the county is principally industrial there is not the same deep objection to the establishment of county boroughs in its midst, since there are greater resources available to meet necessary expenditure. Although even in this instance the movement can be carried too far, and before an application in a matter of this description is approved, it would, in my opinion, be desirable to make careful inquiry into the individual circumstances of the case. It is most undesirable to grant these applications almost as a matter of course.*

These various forms of municipal activity have been largely responsible for the growth of the rates, inasmuch as they have necessitated heavy legal expenses, and heavy additional working expenses, often in no way commensurate with the subsequent revenue return. Efficiently managed these developments would almost inevitably have increased local taxation, but in many cases this activity has been most incompetently and extravagantly controlled. This fact is due to the steady deterioration in the class of man elected to serve on town councils—a most pernicious result of Party and *National* politics being introduced into purely local affairs. Candidates are chosen and elected not for their business capacity and general fitness—the true criterion of a man's usefulness as an administrator of affairs which largely resolve themselves into questions of finance—but for their fidelity to the cast iron tenets of Conservatism and Radicalism respectively. A miserable little nonentity with no business experience—the owner of a small general store, perhaps—who professes undying enthusiasm for a particular Party creed, is preferred to a man of real character and ability, who may perhaps have the presumption to treat Party shibboleths with rude contempt. This tendency to place mere Party hacks in office has become a scandal in the smaller towns and is becoming a growing

* In no case should the rank of a county borough be conferred, unless the petitioning Corporation could prove that the business of the town had in the past been transacted in a careful and efficient manner. This is nominally a requirement at present, but it is not always too rigorously exacted.

evil in the larger centres. The butcher, the baker, and candlestick maker hold high conclave indeed, and the result is what might be expected—a refusal on the part of men of experience to be aggravated by attempting to take counsel with such paltry incompetents, and in consequence mismanagement, jobbery and extravagance are rampant.

The evil is a grave one, and it is due primarily to the introduction of Party into purely local affairs. Consequently it is difficult to eliminate. Probably the most effective way of combating this canker in our civic life would be the formation by leading ratepayers in the various centres of non-Party Associations, whose duty it would be to bring forward candidates for election irrespective of their political views, the one criterion being that the men selected should be men of character and experience. Hitherto independent candidates have had but small chance of election, because they have had no organisation behind them. Much good work, however, could be achieved by purely voluntary associations of this description, and it is rather remarkable that men of sufficient weight have made no attempt to initiate a movement of this kind.

Personally I should like to see a property qualification attached to the membership of a town council, but this, of course, is an impossibility in these days of "the people"—generally, be it remarked, a somewhat touselled, gullible mob, with no particular experience, but supposed in some divine manner to be possessed of such peculiar acumen as to render this quality quite superfluous. Nevertheless I am misguided enough to believe that if the poor and needy could be excluded from municipal office there would be a better prospect of competent management in local affairs.

It appears to me that much of the heavy expenditure incurred through extravagance and aggression has been due to the lax control exercised by the ratepayers over their representatives. The town council can commit the borough to an expensive policy in spite of deep opposition on the part of a large body of the ratepayers, because under the present system the machinery to compel reference of deeply important matters to the electors is wholly inadequate. Only for the purpose of promoting a Bill in Parliament is the sanction of the owners and ratepayers of the district required, either in a special meeting, or, if necessary, by means of a poll. But important development schemes are frequently promoted by Provisional Orders of the Local Government Board, granted after full local inquiry, and subsequently confirmed by Parliament. This method of procedure is cheaper than the direct promotion of a Parliamentary Bill, but it has at present the disadvantage of requiring in no way the sanction of

the ratepayers. In other words, the town council can commit the Borough to the heavy expense of a Local Government Board inquiry in spite of deep opposition on the part of an influential section of the electors, and, with no direct reference of the question to a popular vote, it often happens that the inquiry is not sufficient protection against a policy which may not have an adequate degree of local support.

Municipal Government is notably deficient in one very healthy check found in Parliamentary Government. The introduction of a highly contentious and deeply important Bill by the Cabinet at Westminster can only, speaking generally, be attended by success, if the policy submitted therein has previously been approved by the constituencies. If it lacks popular support, the force of Parliamentary opposition will generally be sufficient to compel an appeal to the country. There is no check of this kind in municipal government. A highly expensive scheme, previously undiscussed by the ratepayers, may be carried by a bare majority in the town council, and by recourse to the facilities of the Provisional Order, the borough may forthwith be plunged into the expense of a Local Government Board inquiry, and may subsequently be committed to the scheme, although there is no preponderating body of local opinion in favour of it.

A most salutary reform, therefore, would be compulsory reference to the ratepayers of all matters which at present involve either Parliamentary or Local Government Board sanction. Thus a proposal to embark on a new scheme of municipal trading, a new town development scheme, the incorporation of an adjoining locality, the application for powers to become a county borough, should in the first instance be debated in the council, and, if carried, should be submitted to a poll of the ratepayers for approval, together with an explanatory memorandum as to the estimated cost of the scheme. In order to proceed further with the proposal a two-thirds majority of those voting should be necessary. If the requisite majority were not obtained, it should not be possible to bring the subject forward again until a period of twelve months from the date of the poll had elapsed.

I foresee two objections. First, it will be argued, there will not be sufficient interest on the part of the ratepayers to obtain a satisfactory poll. I hardly think this would be so. The ordinary, unimportant local questions do not arouse much interest, but a controversy involving a possible heavy expenditure of public money, in my experience—and I have been in touch with three such cases during the past eighteen months—does arouse a very lively interest in a community. A project of this kind immediately affects for good or for evil the individual pocket, and there are few questions in public life that arouse such fierce passions as

those which touch the purse. Walpole's Excise Bill, Pitt's Income Tax, Lloyd George's Budget and his Insurance Act are a few striking cases in point in national politics, and they have duplicates every year in the realm of local affairs.

But, secondly, it will be said, the proposal means government by plebiscite in municipal questions, and is therefore totally foreign to the representative character of British institutions. As, however, I have pointed out, a big financial controversy in local politics is analogous in its serious issues to a fundamental political dispute in national affairs. In the latter case we have the safeguard of a general election; in the former at present we have no such check. Once elected, the town councillor regards himself as a peculiar being, a demi-god with full and unrestricted power to make or mar the fortunes of the community. It is surely, therefore, a reasonable proposition that this defect should be remedied by requiring that the ratepayer should be definitely consulted on matters of large importance before he is actually committed to a policy which may turn out to be costly and even ruinous in its incidence. The form that consultation would take in the proposal I have outlined would necessarily be that of the Referendum, but in the existing state of local affairs it would be analogous to a general election in national politics on some vital political question.

Government by plebiscite involves the submission of practically every subject outside mere subordinate detail to the electorate, and frequently grants this body the power of initiating legislation. The proposal I have suggested does neither. It does, however, guarantee that a project which may affect the whole future financial development and welfare of a locality shall first receive the definite endorsement of a substantial majority of the ratepayers.

It still remains to consider the procedure that should be adopted after a scheme has been carried by the Council and approved by the electors. The existing procedure, whether by direct Parliamentary Bill or by Provisional Order, is cumbersome and expensive to local authorities and inconvenient to Parliament. I should like to see local matters removed entirely from Parliamentary jurisdiction. Local questions fall into four main divisions:—(a) Schemes of local development—such as the provision of water, drainage, and light for example. (b) Municipal trading. (c) Incorporation of adjoining localities. (d) The creation of County Boroughs. A different course would, in my opinion, be necessary in respect of each of these four classes of subjects, after the abolition of reference to Parliament.

At present, in connection with schemes of local development, Councils are authorised to borrow with the approval of the Local

Government Board in respect of permanent works. The expenses, however, usually must not be spread over a longer period than fifty years: under the Housing and Town Planning Act, 1909, they may run for as long a term as eighty years. The money borrowed must not be greater, with the current loans, than the amount of the district's assessable value for two years, and if the sum borrowed would, with the loans already outstanding, be greater than the assessable value for one year, the permission of the Local Government Board can only be granted after local inquiry. This system might well be retained for development schemes, subject to the previous approval of the ratepayers. The Provisional Order would, however, with the abolition of Parliamentary control, be final and permanent.

The subject of municipal trading calls for somewhat different treatment. A development scheme—the institution of a tramway service, for example—may involve a form of municipal trading. After the proposal has been actually approved by the ratepayers in the manner previously described, the financial details of the scheme should be submitted to the Local Government Board* in the usual way, together with information as to whether there is already a service similar to the scheme under consideration in private hands. If there be, unless the local authority can prove to the satisfaction of the Board that this rival service is inefficient, or inadequate, or excessive in its charges, the scheme, notwithstanding the approval of the ratepayers, should not be sanctioned.

Should, however, the private company be willing to sell its rights to the local authority, then, subject to the Board's approval of the financial arrangements, the transfer should be authorised. Any scheme, however, which in the Board's opinion was not necessary for the welfare or *vital* convenience of the locality, should be disallowed, whether there was already a rival service of this particular description in existence or not. The decision of the Local Government Board should be absolute, and it should not be possible to revive a scheme thus disallowed until a period of at least five years had elapsed from the date of the rejection.

The procedure, again, in connection with the proposed

* At present there is a certain want of centralisation in local administration. Thus, in respect to tramways a Council may apply to the Board of Trade for a provisional order authorising the *construction* of tramways in their district. They cannot, however, *work* the system themselves without special Parliamentary authority. Under my proposals, this latter necessity would be removed, and I should certainly advocate that the powers of authorisation at present vested in the Board of Trade should be transferred to the Local Government Board. The Board of Trade duties in respect to the promotion of tramways should be limited to the approval of the mechanical construction and equipment of the system.

Similarly, a County Council applies to the Light Railway Commissioners for authority to construct a light railway. It seems to me that *all* questions of local development should be vested in the Local Government Board.

incorporation of an adjoining locality should be separate and distinct. In the first place, the usual two-thirds majority of the ratepayers of the borough would be necessary in order to proceed with the proposal. This majority obtained, a poll should be held in the district which it is proposed to incorporate. In the unlikely event of a two-thirds majority of the ratepayers in this district also being obtained in favour of amalgamation, the financial details of the scheme would be submitted to the Local Government Board in the ordinary way for approval, and the course adopted would be that pursued in connection with a development scheme.

Where, however, the necessary majority of the ratepayers in the smaller district was not gained, a request should be submitted to the Local Government Board for an inquiry, and, as previously suggested, unless at that inquiry the borough proposing the scheme could prove that its own administration in the past had been efficient, and that the smaller locality was incompetently administered, that the suggested incorporation would be positively advantageous to the ratepayers of the smaller district, or that the extension was absolutely essential to the vital administrative interests of the petitioners the scheme should be disallowed by the Board. This decision should be final, and a revival of the proposal should not be permitted until a period of at least ten years had passed from the date of the Report.

Finally, in connection with an application for conferring the status of a County Borough on a municipality, a Local Government Board inquiry should be held, and the considerations previously advanced on this question should guide the decision of the Board. Where the petitioning borough was situated in a wholly rural county, the application should be refused, unless it could be shown that the legitimate activities of the municipality were hampered, and its welfare impeded by the backward and inefficient control of the county. If, on the other hand, the borough were situated in an industrial or semi-industrial district, the application might be granted, subject however to careful inquiry, and the precaution of disallowing undue extension of the privilege in any one county. The application should never be granted except to a Corporation which could show competent administration in the past. Where the petition was rejected, it should not be possible to bring forward a similar request until at least ten years had expired from the date of the adverse decision.

Such reforms as these would, I am convinced, do much towards increasing the efficiency of local administration and checking undue expenditure. A wholesome measure of control over the policy of their representatives would be granted the ratepayers, whilst the cost of prosecuting development would be

reduced by the simplification of machinery. It may be objected that it would be unwise to make the Local Government Board a final court of appeal in all local matters. On many administrative questions it already possesses unfettered authority, and in connection with the issue of Provisional Orders—Orders which I have recommended should be made absolute—I might point out that “of the 2,520 Provisional Orders issued by the Local Government Board from 1872 to 1902 only twenty-three were rejected by Parliament.”* This fact shows the slight Parliamentary control exercised at present over the actions of the Board, a control so slight as to justify its removal as being a perfectly sound course to adopt. Moreover, it would still be open for any of the Board’s measures to be raised in debate in the House of Commons on behalf of an aggrieved locality by its member. The step suggested can therefore be regarded as in no way infringing popular liberty, whilst it would lighten the pressure of public business in the House of Commons and contribute to a relief in the burden of local expenditure.†

In addition to these proposals there is, however, one further reform which, in my opinion, is very urgently required. At present the method of audit in connection with boroughs is very defective. The accounts, save those in connection with education, which are audited by the Local Government Board, are presented every six months to three auditors, two of whom are elected annually by the ratepayers, and one by the mayor. They have, however, no power to disallow any items of the expenditure or to surcharge on the persons responsible superfluous and unnecessary expenditure. This method naturally lends itself to extravagance and inefficiency.

County council accounts, on the other hand, are presented every twelve months to a district auditor appointed by the Local

* J. A. R. Marriott—*English Political Institutions*, p. 233, quoting Lowell, ‘Government of England,’ i. 386.

† In making the foregoing suggestions, I have confined my remarks solely to the borough. I should of course advocate identical procedure in respect of development and municipal trading schemes promoted by county, and rural, and urban district councils, while a scheme to unify certain district councils into a Corporation should require in the first instance the approval of two-thirds of the ratepayers in each of the districts affected, and whereas at present petitions of this nature are submitted to a committee of the Privy Council in future they should be forwarded to the Local Government Board for approval. It should not, however, be possible to present such a petition unless the requisite majority of ratepayers was obtained in a majority of the districts affected, where the number of such districts was more than two. Where there was a disagreement between the districts a Local Government Board inquiry should be held, and the decision should be governed by the considerations suggested in the case of a borough seeking to incorporate a small adjoining locality. A Local Government inquiry should also be held in connection with an application from one district only to secure the status of a borough. This should not be granted, unless the previous administration of the district proved to have been competent.

Government Board. A copy of the accounts has to be published for public inspection for seven days before the audit, and the auditor has the fullest powers of inquiry. He may demand the production of any books and papers, and may require the attendance before him of any person responsible for expenditure. Any owner of property or ratepayer may be present at the audit, and may object to any item in the accounts. The auditor may, in his discretion, allow any of these objections, or may make objections of his own, and in either event he can disallow the item in question and surcharge the amount against the persons responsible. On a question of law there is an appeal to the High Court; on other points to the Local Government Board.

The same method is applied to the accounts of rural district councils, and also to those of such urban district councils as are not boroughs. Naturally the method employed is particularly effective, since it imposes a most salutary check on incompetence. The application of the same system to borough accounts would be a most desirable reform, and would do much to strengthen businesslike management of municipal activities.

Under our present constitution of local government there is in many quarters a growing tendency towards incompetence. Local administration has become so complex and so varied that business management of its affairs has become essential for prosperity. The present system does not insure this. It is cumbersome and costly in its effect, and it offers a premium to the interference of inexperienced and unintelligent members of the community. We want the highest voluntary ability we can find in order truly to administer the great interests involved in local questions; at present too often we content ourselves with the lowest. I venture to think that some such extensive scheme of reform as I have discussed in the present article would go far to restore a true balance in this respect.

H. DOUGLAS GREGORY.

FOREIGN AFFAIRS AND THEIR LESSONS

By DIPLOMATIST

THE ROYAL VISIT TO PARIS

THE visit of their Majesties to the President of the French Republic is undoubtedly, so far as this country is concerned, the event of the month in the sphere of world politics. That it would be a success was a foregone conclusion, but the extreme cordiality of the French nation has exceeded all anticipations, a result in no small measure due to the wise decision that caused Queen Mary to accompany the King. Memories go back to over half a century ago when Queen Victoria and the Prince Consort visited Paris in the days of the French Monarchy; and just as that event lived long in the memories of their late Majesties, so the visit of the present King and Queen of England to the President of the French Republic must ever remain a red letter day in the memories of King George and Queen Mary.

Needless to say, their Majesties have left behind a feeling of respect and affection second only to the sentiments entertained for them by their own subjects. Everywhere the heartiness of their reception showed that the King and Queen had gone straight to the hearts of the French people, and nothing could have exceeded the enthusiasm and the bounteous hospitality which greeted their Majesties on every occasion. The speech of the President at the Elysée and the King's reply offer the best evidence of the true inwardness of the feeling existing between guests and hosts and between the English and French peoples.

President Poincaré's Toast.

SIRE,—

Your Majesty and her Majesty the Queen will allow me to express very simply the deep gladness of the City of Paris and the whole French people in receiving the august Sovereigns of the great nation, our friend.

I myself keep in most grateful memory, not untouched by emotion, the welcome prepared for me by your Majesty last year, when you extended to me in London so gracious a hospitality; and the feelings shown to me during my stay in England by all classes of the British people awoke a faithfully responsive echo in the hearts of my fellow-countrymen. On each side of the

Channel public opinion unanimously joined in the renewed manifestations of reciprocal liking and trust for which my journey afforded an opportunity to the Governments of our two countries.

The visit which your Majesty and her Majesty the Queen to-day return to France strikingly consecrates a friendship that has stood the test of time and experience, that has shown its lasting efficacy, and corresponds to the considered will of two powerful nations equally peace-loving, equally enamoured of progress, equally accustomed to the ways of freedom.

During the hours, too short, that your Majesty will spend with us you will doubtless see but few of the physical or moral aspects of France. The artistic, sporting, and military festivals at which you have kindly promised to be present will nevertheless display, in condensed form, some elements of our national character, and you will easily discern in the virtues which honour our democracy many of the traditional sources of strength that have so long made up the grandeur and the glory of England—the sense of moderation, of order and social discipline, the enlightened consciousness of patriotic duty, the glad acceptance of necessary sacrifice, the glowing cult of an ideal, never suffering eclipse and irradiating the whole life of a nation.

After long rivalry that had taught them imperishable lessons of mutual regard and respect, France and Great Britain have learned to love one another, to draw near each other in mind, and to unite their endeavours. It is to-day ten years since the two Governments settled, as friends, the questions that separated them. The agreements then made—agreements so happily prepared by the clear-sightedness of his Majesty Edward VII. and of his counsellors—naturally gave birth to a more general understanding, which is now, and will henceforth be, one of the surest pledges of European equilibrium.

I doubt not that under the auspices of your Majesty and of your Majesty's Government these bonds of intimacy will be drawn daily closer, to the great gain of civilisation and of universal peace.

This is the very sincere desire that I express in the name of France. I raise my glass in honour of your Majesty, of her Majesty the Queen, of her Majesty Queen Alexandra, of his Royal Highness the Prince of Wales, and of all the Royal Family. I drink to the greatness and the prosperity of the United Kingdom.

King George's Reply.

MONSIEUR LE PRÉSIDENT,—

I am deeply touched by the friendly and eloquent words in which you have welcomed the Queen and me to the brilliant capital of your beautiful country. I am most happy to have had an opportunity to return the visit you so kindly paid us last year, which the Queen and I keep in most pleasant memory.

I am especially pleased to be among the people of France on the tenth anniversary of the agreements by which our two countries settled peacefully all the questions that had kept them apart. From these agreements sprang the relations so close and cordial that unite us to-day, and thanks to which we are able to collaborate in the humanitarian work of civilisation and peace.

I thank you, Monsieur le Président, for having remembered that the name of my beloved father will always be associated with our understanding, and I subscribe with my whole heart to your eloquent definition of the noble and exalted ends which our two countries pursue in common. Their attainment will be a boon to the two nations, and will at the same time be the most precious inheritance we can bequeath to the generations to come.

The Queen and I will never forget the heartiness of the reception given us at our coming. It will be highly appreciated in my country. I am glad to

think that during our stay we shall have the pleasure of admiring and appreciating what you have just, and so truly, called some elements of your national character. It is these that have raised France to so high a level of civilisation and prosperity; it is, above all, thanks to them that she holds so worthily and so proudly her place in the world.

The Queen and I thank you, Monsieur le Président, for your charming hospitality and your most friendly welcome. I raise my glass to wish you, Monsieur le Président, a long and happy life, and to France all prosperity and good fortune—France, for whom I cherish feelings of the deepest and sincerest friendship.

While the visit was, in effect, a return visit to that paid by the French President to King George last June, when M. Poincaré went back to France delighted with the warmth of his reception on this side of the Channel, it had a political side, and a most important political side. It marked a decade in the history of the *Entente Cordiale*, a decade not without stress and strain, in fact one might almost say a decade of international tension. For not only did the visit celebrate the British *entente* with France, indirectly it included the Russian *entente*, it marked, as it was intended to mark, an eventful epoch in the lifetime of the Triple Entente.

Looking back on events that have happened since we entered into an *entente* with France and with Russia one recalls many a time when the Triple Entente and the Triple Alliance were able to bring about a peaceful ending to a dispute which in other circumstances might have had a very different result. That there are obvious differences between an *entente* and an alliance goes without saying, that the one does not include the obligations of the other needs no demonstration, but while an alliance is eminently suitable for Germany, Austria-Hungary and Italy, it is opposed to British sentiment and British requirements.

Just before the Royal visit an interesting communication from M. Ernest Lavisse appeared in the *Times*, the gist of which, at least so it seemed to me, was to suggest that the time had arrived for turning the British *entente* with France into an alliance, and, presumably, a similar change was desirable in our understanding with Russia. In fact, the patent idea running through the letter was the founding of a new Triple Alliance to meet the possible opposition of the present Triple Alliance. Nor does it appear that M. Lavisse was entirely alone in this suggestion, for the Paris correspondent of the *Times* tells us early in the day in one of his excellent telegrams that, "go where you will, converse with whom you may, it is borne in upon one that it is the *Entente Cordiale* and the possibilities of its extension which give to the proceedings of the present week their deep and engrossing significance."

Fortunately for everyone concerned the matter remained where

M. Lavissee and the *Times* correspondent left it. No suggestion of an alliance was made during the visit; on the other hand, to judge from comments in the press on both sides of the Channel, care was taken to let it be known that an alliance would not find favour either in this country or in the Dominions overseas. For it must be remembered that while nominally treaties are made between Foreign Powers and the United Kingdom, in reality, outside purely commercial arrangements, they are made with the British Empire.

The *Journal des Débats* did its best to sober down the clamour for an extension of the *entente*. And in the issue of that journal of April 16 the following warning is given:—

The day of dynastic treaties is gone, and it is only the weight of public feeling which can give consent to acts of diplomacy. In view of the existence in England of a strong feeling against alliances on the Continent, more would be lost than gained by pushing England along a path in which she is reluctant to enter. Let us not compromise the results of the Entente by ill-considered experiments. It gives to France and to Great Britain what each demands of it, a guarantee against aggression and unjust quarrel. It refuses to each what neither intends to give, a promise of aid in a policy of aggression. It is enough to develop, to define, and to strengthen the reciprocal guarantees against an unjust quarrel. Inevitably England will be led in this direction by her own interests.

A few days later (April 21) the *Times* rendered a similar service in a singularly accurate forecast of the State object of the visit:—

The presence of the Secretary of State for Foreign Affairs as Minister in attendance upon the King is, of course, an indication that the questions which concern the Powers of the Triple Entente will be discussed during the visit. That is usual and convenient on occasions of the kind, and as some of these questions are of deep importance, no "conversations" which may take place about them can be without interest. But the main object of the Royal visit is neither to devise new political arrangements nor to modify those which exist. King George goes to Paris to confirm and to carry on the work of King Edward. He goes to bear public witness that after ten years of trial the policy of the Entente is the policy of England as it is the policy of France. He goes to testify that it is more firmly rooted in the minds of both nations than at any former period of its history. That is the message we send France to-day by the most august and the most truly national of all Ambassadors. It is the message, we have no shade of doubt, which France will return to England by the hands of King Edward's son.

Doubtless rash statements such as that made last year by Mr. Churchill when introducing the Naval Estimates, that if the worst came to the worst we could still rely on France for the protection of British interests in the Mediterranean, rankle in the hearts of men like M. Lavissee, who naturally object to France being expected to protect by force British interests when no corresponding obligations exist on our side. In fact there are many persons both in France and England who believe that in

the event of this country being attacked France is by treaty compelled to come to our aid and *vice versa*, whereas of course, no such arrangement exists or was ever contemplated. I admit the Morocco agreement gave colour to this interpretation, and as long as the Moroccan affair remained unsettled it was not easy to tell what might have been the position of this country in the event of hostilities breaking out between France and Germany. Fortunately that fear is now passed, and one can truly say that there is nothing in the *entente* that confers the slightest obligation on this country or on the Dominions overseas to interfere by force in any quarrel in which France may elect to engage. On the other hand there is nothing to prevent this country making common cause with France, or indeed with any other country if she is so disposed, but no such action could be taken without the consent of the whole Empire, and it may be assumed consent would not be given unless all parties were agreed on the righteousness of the cause. All the same it might be timely if the Secretary of State for Foreign Affairs were to give the country some more definite information as to what the Triple Entente really commits us. At present all we know is contained in the *communiqué* issued to the Press on the evening before their Majesties left Paris, and which ran thus :—

In the course of the conversations that have been carried on between Sir Edward Grey and M. Doumergue on the occasion of the visit of their Majesties the King and Queen to Paris, various questions affecting the two countries have been taken into consideration, and the identity of view of the two Ministers on all points has manifested itself. While placing on record the results of the policy pursued by the two Governments together with the Imperial Russian Government, Sir Edward Grey and M. Doumergue are completely agreed upon the necessity that the three Powers should continue their constant efforts for the maintenance of the balance of power and of peace.

Commenting on the result of the visit the *Times* correspondent in a telegram dated Paris, April 23, makes the rather pointed observation "that there has naturally been no idea of transforming the *entente* into a formal alliance," and he adds, French and British statesmen are agreed in regarding such a step as both unnecessary and impolitic. Apparently something had happened to cause so pointed an interpolation, and that something, I should not be surprised to find, was an intimation to France from Downing Street that an alliance was not desired, at any rate, on this side of the Channel. By way of balancing the views expressed the correspondent ends his despatch by stating "But it may well be that the expediency of placing the machinery of the *entente* in

a state of readiness for effective diplomatic and defensive action in all circumstances has been debated with good will and desire for agreement on both sides." One may perhaps be excused if one asks for a little further light on what is meant by "being in readiness for effective diplomatic and defensive action in all circumstances." For instance, it would be interesting to know whether these are the words of the correspondent or the phraseology of the diplomatist.

No doubt the presence of Sir Edward Grey in their Majesties' suite gave rise to the rumour that important changes were anticipated in the *entente* and that other matters in which the two nations were interested would be discussed at length between the Foreign Ministers. It was not generally known that Sir Edward Grey's presence was due to his own initiative; he in fact, I believe, asked to be allowed to accompany their Majesties, but it was never intended to have any general conversation outside the *entente*, a view that seems to have been known to M. Hanotaux, who, writing in the *Figaro* after the visit, says:—

The population of Paris realised that the occasion was not one for dragging questions of foreign policy into the street, but for manifesting the intimate relations established between the two countries of their own free will. Thus the demonstrations assumed at once the air of a family celebration, to which the striking resemblance of King George to the Emperor Nicholas contributed. These frank and open faces, well known as they are from pictures, are popular with the crowd, and as the perfect graciousness of Queen Mary harmonised with the feelings of the people, everything melted into a smile.

At the same time the *Temps*, referring to the *communiqué* quoted above, while allowing for the disadvantage attaching to the "rigid type" of alliance, takes care to observe that "the note says enough to make it unnecessary to insist that the *entente* is a Triple Entente, and prepared more than ever for united action." It may be that this parting shot was intended for consumption in Germany, which has remained singularly quiet all through the visit, much to the vexation of certain French sections, who had hoped to make political capital out of the visit. As it was, the visit of the King and Queen to Paris was regarded by Germany with equanimity.

It is a very great mistake to suppose that Germany does not wish friendship to exist between this country and France. On the other hand there is some ground for supposing that France does not altogether view with accord the coming *rapprochement* between this country and Germany. It is readily accepted in Germany that France and this country are destined to be close friends. No German raises a finger against the *entente*. But somehow or other France cannot see that better relations between this country and Germany do not necessarily mean being off with the

old love and on with the new. Let us hope the Paris visit has made our French friends a little wider minded. At any rate, it cannot fail to have shown them we intend to continue the entente, and with that assurance they can afford to drop all jealous feelings. No doubt the "alliance" episode had some reference to Germany. Possibly, as I have said, it was thought that alliance should meet alliance. Now, however, that France definitely knows we do not intend any alliance one may perhaps hope to hear no more of a policy which seems to imply a wish if not to keep apart, at any rate to prevent closer union between two nations by nature intended to be on terms of intimacy.

It is understood that during the visit the question of the New Hebrides came up for discussion, and it would be interesting to know whether a conference has been decided upon. In that event another opportunity occurs for Sir Edward Grey to take the public into his confidence. If a conference, what are the terms of the reference? Is the Commonwealth of Australia to have a voice in the settlement, either by sending a delegate or by being consulted as to the decision arrived at before that decision is ratified in London and Paris? Last time, it will be remembered, Australia's interest was much boomed beforehand, but when it came to the point that interest, except as it was put forward by the Foreign Office, was forgotten. No representative of Australia was present at the Conference, and the decision, when arrived at, was settled over and above the heads of Australian opinion. We don't want that kind of thing to happen again.

UNITED STATES AND MEXICO

It would almost seem as if President Wilson had read my remarks in the last number on the situation in Mexico so quickly has he turned his attention towards intervention after a very long period of sitting on the fence. We are told that Americans do not like being criticised by foreigners, although they are in no way averse to criticism from within, but whether they like criticism or not the matter is immaterial to me. To have allowed all this time to pass and to have seen murder after murder taking place without intervention seems to point to a serious error in statesmanship on the part of President Wilson. It is no good proclaiming on the housetops that America resents interference in Mexico, that she can keep what she calls her own house in order, when all the time she does nothing.

No steps, at any rate no effective steps, were taken to bring the murderer of Mr. Benton to book. It is of no avail to say Americans have been murdered in much the same way, and then refuse the necessary measures to avenge those murders. Yet this

is what happened. Nothing was done. Foreign Powers were warned off; the United States, it was said, would preserve order. The spirit of the Monroe doctrine must be maintained. One is glad to see that Sir Edward Grey does not mean to let the murder of Mr. Benton rest where it is; he is only awaiting the opportunity to take whatever steps are practicable. Now it appears President Wilson has awakened from his sleep, but the occasion selected for crossing swords does not appear to be a particularly good one. The marines and the salute incidents were both annoying, but far better jumping-off ground might have been chosen, and so it appears think Senators Roots and Lodge. One can understand the wish of the President not to go to war with a South American State or indeed with anyone, but to say there is no war, that American operations are only directed against General Huerta, is to make yourself ridiculous, and that is what President Wilson is doing.

Nor is his position rendered any better by the reported action of Generals Villa and Carranza. Indeed, if the cable tells truly, these generals who talk about "our rights of independence and sovereignty" mean to give President Wilson a warm time. Mexico is a very large country practically in a state of anarchy. To suppress either the federalists or the constitutionalists, or whatever the two parties designate themselves, must and will be a very difficult task. To take them on both together will be still more so; and yet it is not easy to see, unless this be done, how law and order are to be established. Just as we go to press an offer of mediation comes from Brazil, Chili and Argentina, and the cable tells us that President Wilson accepts it. Of course he does. He would accept anything. That being so, there is little more to say except to wish the mediators a speedy termination of their labours, and one that will not only satisfy all parties but give some kind of guarantee that the same condition of affairs will not break out again in a few years' time.

In the Near East matters are pursuing a normal course. The Abbazian conversations have been attracting a good deal of attention, and have been closely followed by the German Emperor at Corfu. His Majesty has also given an interview to the Greek Foreign Minister, and from what has transpired he would seem to be very friendly disposed towards Greece, and desirous of seeing everything settle down quietly in Albania. The Triple Alliance made a few modifications in the Greek Note, but the changes meeting with no objections from the Triple Entente the Powers presented the Note on April 24. According to the *Times* correspondent at Athens, the Note is unsatisfactory from the Greek standpoint, as, while binding the Hellenic Government to its old engagements, it goes no farther than to promise the use

of the influence of the Powers to attain the objects for which Greece asked a guarantee. Simultaneously with the delivery of their Notes the Ministers, on behalf of their Governments, verbally demanded the immediate evacuation of Southern Epirus.

The illness of the Emperor Francis Joseph causes much anxiety to his family and friends, but in spite of general weakness and a troublesome cough his Majesty continues to transact the business of State, and is following very closely the sittings of the Abbazia Conference. He receives Count Berchtold, and apparently makes light of his ailments. Later reports from Vienna are more reassuring, but there is no doubt that the bronchitis troubles him much, and considerable care will be required if he is to regain his strength and continue his daily routine of life in the very near future. Not that there is any occasion for immediate apprehension, but the Emperor's great age makes it difficult for him to sustain his customary activity in present circumstances.

ANGLO-GERMAN RELATIONS

The diplomatic arrangements between this country and Germany are approaching completion, and it is hoped that before long most of the matters outstanding between the two nations will have been adjusted satisfactorily. On all sides a better feeling is springing up between the two peoples, and everything is tending to an understanding that should prove of great benefit not alone to the Powers specially interested but to the whole civilised world. No ambassador has done more to promote general good-feeling between Germany and ourselves than Prince Lichnowsky. Ever since he has occupied the post of Ambassador at the Court of St. James' he has been active in making himself personally acquainted with our great industrial centres. And wherever he goes he sows good seed which cannot fail to spring up and yield a plentiful supply of excellent fruit. Deservedly popular, he combines knowledge with tact, never treading on corns, always extending and grasping the open hand. The other day he was at Liverpool looking at our docks and shipping, and in the evening he was entertained by the Lord Mayor at the Town Hall.

Responding to the toast of his health, the German Ambassador said that the reasons given by the Lord Mayor for honouring him with an invitation to visit Liverpool reached a sentiment that was moving in them all—the idea of the solidarity of commerce, the belief in the common interests and mission of commerce throughout the world, and in the financial interdependence of all the great commercial centres. At the same time due allowance must be made for the great responsibilities of Governments, and it would be well, in existing conditions, not to

spend overmuch time deploring the costs of armaments, but to concentrate effort on pointing out the well-nigh limitless beneficent potentialities of commerce.

He did not forget that there was such a thing as international rivalry. Owing to the great interest taken in the subject by the Press the adjustment of difficulties among the shipping companies of the various nations, and more particularly between the British and the German companies, was regarded by many people as having a more intense meaning than the numerous adjustments of international differences in other branches of commerce. But he hoped sincerely that the negotiations now pending between the great North Atlantic shipping lines might lead to a conclusion satisfactory to all concerned. Recently, Prince Lichnowsky proceeded, there had been a striking illustration of the great advantage of international co-operation, in the first place to the nations immediately concerned, actually to the whole world, in the conference which met in London to consider the question of the safety of life at sea. The work they had accomplished is what no nation singly could have done. In particular, in Germany the value of the work done by the British and American representatives was recognised, and he desired to mention in that connection the name of Sir Norman Hill.

In regard to the cotton trade Prince Lichnowsky remarked that it was interesting to note that Great Britain and Germany were working side by side and, as it were, in unison to increase the supply of raw material by fostering the cultivation of cotton in their respective colonies in order to make the consumer less dependent upon climatic vicissitudes. The cultivation of colonial cotton was only in its infancy, and at the present stage was perhaps quite as important as an illustration of a parallel policy followed by the two countries. Another very striking example of this parallel policy between Germany and Great Britain was the adoption by Germany of the policy of the open door to her colonies, and he was pleased to hear that Liverpool firms and Liverpool capital were engaged in the trade of the German colonies.* The speech touched upon a variety of topics of interest to commercial men, and the Ambassador showed himself a master not only of policy, but of details. The Prince met with a most enthusiastic reception, and his Liverpool visit was in every way a worthy successor to the other visits he has paid to our provincial cities.

DIPLOMATIST.

* This report is taken from the *Times* of April 21.

COMMONWEALTH NAVIGATION ACT

By F. A. W. GISBORNE

CHRISTMAS EVE of the year 1912 was signalised in Australia by the final passage of a piece of Federal legislation, the consequences of which are likely to be of the greatest and most far-reaching importance. The Navigation Bill, as the measure referred to was entitled, now the Navigation Act, is a measure of portentous length, embracing no fewer than 424 clauses and three schedules, the whole occupying 107 printed pages. While the great majority of its provisions are identical with those contained in the British Merchant Shipping Act of 1894, there are others of a more questionable kind borrowed from similar legislation now operative in the United States. Thus the Act is a legislative hybrid, of blended British and American origin. It must be admitted, however, that before reaching its present form it has undergone a lengthy period of incubation.

The first attempt to regulate Australian shipping under one comprehensive scheme was made in 1904; and the Bill then introduced into the Federal Parliament was referred to a Royal Commission, and subjected to prolonged consideration. During March and April 1907 a conference between the representatives of the shipping industry in the Commonwealth, the United Kingdom and New Zealand was held in London; and towards the end of the same year an amended Bill embodying the recommendations made by the members of the conference was introduced into the Senate. Pressure of business, and, perhaps, lack of interest, deferred for some time the consideration of the new measure, whose complexity, indeed, might have justified the profane gibe at the expense of the author of a masterpiece of philosophy attributed to the first Stuart sovereign. At length, however, the ungainly infant escaped the care of its bewildered legislative guardians, and formally reached its majority on the 24th of December, 1912, when, so far at least as the Commonwealth legislature was concerned, it was presented as a Christmas gift to not altogether appreciative shipowners. Yet another delay followed.

The great importance of the proposed changes in maritime law as affecting the interests, not only of Australian, but also of British and foreign traders, made it necessary for the Governor-General to reserve the Bill in its final form for the Royal Assent. At the time confident opinions were expressed in Australia that the Imperial Government would require certain substantial alterations to be made before granting such assent; and it was well known that feeling among the owners of non-Australian vessels trading with the Commonwealth, and merchants generally, was almost unanimously hostile to some of the proposed innovations. In view of such feeling, reflected as it was by the protests of numerous influential commercial associations, it was hoped that even the flaccid obsequiousness towards supposed colonial sentiment, which has so unpleasingly characterised the attitude of various Imperial Governments towards those of the dominions and colonies for many years past, would be tempered on this occasion by a certain amount of resolution; but, unfortunately, such hopes proved vain. After a seemly delay, the Bill was ratified *en bloc* and blandly handed back to its embarrassed authors in the form of a legal statute.

British Ministers, perhaps, thought they had quite enough on their hands, and did not wish to incur in addition the supposed hostility of the Australian Labour Party. As a matter of fact, through ignorance, they erred considerably in this respect. The working classes in Australia, outside the seamen's union, were, and are, as a whole, apathetic concerning the suggested alterations in shipping conditions; and a not inconsiderable section, represented mainly in West Australia, heartily disliked some of them. Ardent advocates of the measure in its entirety were numerically insignificant, and were confined mainly to members of the federated seamen's union and a doubtful majority of local shipowners.

So far the Act has not been enforced, but steps are being taken to form a Federal department of navigation to take over the functions concerning the control of sea traffic hitherto exercised by various State authorities. An elaborate code of regulations, also, is being framed by the Ministry's expert advisers to render the Act workable. Some time, no doubt, will be occupied over these preliminaries, so shipowners will have a period of grace in which to adjust their arrangements to the new conditions. Naturally the present Commonwealth Government is not particularly anxious to irritate a considerable number of its supporters by hastily introducing changes that are welcome only to a minority of its implacable political foes. Very leisurely progress, therefore, will be made in providing the required administrative machinery; and in all probability, when the latter is

complete, supposing no change of Government to take place, certain portions of the Act will be very leniently administered.

The greater part of the new enactment being based, as before stated, on the well-known statute which controls the operations of British over-sea trade, needs no particular notice. No ordinary layman, indeed, could, without presumption, venture to criticise the elaborate and technical clauses dealing with such matters as wrecks and salvage, pilotage, the constitution and procedure of Courts of Marine Inquiry, the treatment of foreign seamen, and the rights of passengers and shippers. These and others of a similar kind, the present writer at least feels quite incompetent to discuss. But there are certain provisions of a most important character which have not hitherto been found in any similar enactment passed by a British Legislature, and to the consideration of these a few remarks may be devoted.

Two significant innovations at once arrest the attention. The first requires that all seamen employed on non-Australian vessels engaged in the coastal trade shall be paid at the rates of wages ruling among Australian seamen, and no previous agreement adversely affecting this condition will have any legal value. The wages, too, must be paid before the ship leaves Australian waters, otherwise clearance may be refused by the Collector of Customs. The second permits the prohibition by Ministerial order of the employment of the members of the crews of all vessels trading between Australian ports, without discrimination, in loading or discharging cargo. The hand of the political trade-unionist is here clearly visible. Organised wharf labourers, in the event of a strike occurring when a sympathetic Government is in office, may hope, with this weapon in their hands, to hold their employers at their mercy. That the foreign shipowner, whose vessel might reach an Australian port at a time when a strike produced by causes of which he was entirely ignorant was in progress, should be put to loss and inconvenience through this prohibition does not concern the professional agitator in the least. But, it may be hoped, the men who hold responsible official positions when the next great industrial struggle at the waterside occurs will have sufficient intelligence to perceive that highly troublesome international complications might follow absolute obedience to the mandates of the trade unions.

A ship engaged in the coastal trade is defined as one that "carries passengers or cargo from any port in Australia to any other port (excepting through passengers or cargo) on through bills of lading." A material qualification, however, is attached by which the Governor-General is empowered to declare that the carrying of passengers between certain specified ports in the Commonwealth by British ships is not engaging in the coastal

trade. The granting of this discretionary power to the controlling Minister is open to the obvious criticism that, in certain cases, it might lead to undue favouritism. It is notorious that one great English shipping company is very obnoxious to the Australian Labour Party owing to the class of labour employed on its vessels; and under special political conditions the company referred to might be subjected to vindictive victimisation.

In its humanitarian aspects the Act is worthy of notice. It contains, among others, provisions requiring that each seaman must be allowed not less than 140 cubic feet of air and 18 superficial feet of floor space; while the bunks must be at least five feet apart, and above the water load-line of the ship. The mess-room, too, must be on the open deck. The Minister, however, is in this case also allowed powers of exemption in favour of vessels built before the Act came into force, provided the general arrangements on board such vessels are not considered insanitary. Reasonably administered, this portion of the Act should cause no serious hardship; and everyone must admit that there still exists a class of shipowners who need to be taught to consider the comfort of the crews they employ.

According to the latest figures contained in the Commonwealth Year Book, the tonnage of oversea shipping that entered and cleared Australian ports during the year 1911-1912 aggregated almost 10,000,000 tons, nearly 7,500,000 being British. In that year 4,174 vessels owned outside the Commonwealth were engaged in the Australian trade. Of these by far the greater number came from the United Kingdom; while the extent of the trade between the Commonwealth and New Zealand was indicated by the fact that the tonnage of the shipping trading between the two countries in the same year amounted to 1,885,759 tons, or 18·89 per cent. of the total oversea shipping of the Commonwealth. The tonnage of the inter-State shipping that entered and cleared Australian ports during the same period amounted approximately to 23,000,000 tons; but this number included British and foreign vessels that passed from one State to another, so it must be regarded as somewhat misleading. The new enactment primarily affects ships belonging to such companies as the P. and O., the Orient, the White Star, and the Union Company of New Zealand, which hitherto have not been directly affected by Australian industrial legislation. The corporations just mentioned as well as others established in non-British countries, Germany, France and Japan in particular, are likely to find some of the recently imposed conditions and restrictions exceedingly burdensome.

That there is something to be said in favour of these must nevertheless be admitted; and, in common fairness, the contentions of the defenders of the Act as a whole should receive

respectful consideration. To begin with, the owners of local vessels might reasonably complain if they were subjected to stringent industrial conditions from which their competitors were entirely exempt. Indeed, it is undeniable that the Australian owner of a vessel carrying cargo and passengers from, say, Fremantle to Melbourne would be hardly used were he compelled to pay the officers and men he employed salaries and wages 50 per cent. higher than those paid by the Company owning a foreign liner that engaged periodically in the same traffic. The difficulty of reconciling a due regard to his interests with consideration for those of his foreign competitor is obvious. But while abstract justice demands interference with the rights of foreigners so as to place them and Australian shipowners on an equal economic footing, both the public convenience and the public safety have also to be considered. And it can scarcely be contended that these should be entirely subordinated to the pecuniary interests of one class; or that the relative disabilities imposed by law on that class should be removed by subjecting foreigners, who had no part in creating such adverse conditions, to similar disabilities.

Again, it may be argued that a foreign Government, by the bestowal of lavish bounties on those of its subjects who endeavoured to develop an over-sea trade, might conceivably enable the latter, for a time at any rate, to crush their Australian and British rivals. France, we know, is particularly generous in this way; and in the United States there is now a strong aggressive commercial movement of a similar kind. In a trade war defensive measures are justifiable; and no one could blame the Commonwealth Government if it imposed special penalties in order to counterbalance special privileges. And, perhaps, abuses that might follow the creation of a powerful shipping combine, or trust, could be checked by the judicious use of the powers just bestowed on the controlling Minister. In either of the hypothetical cases just stated the new Navigation Act might be employed as a weapon in defence both of Imperial and Australian interests. Only it would have to be used with discretion and foresight, and in a statesmanlike and patriotic spirit.

Turning now to the important subject of wages, certain awards made by the President of the Commonwealth Court of Arbitration within recent years will be of interest to English and foreign shipowners. On the 25th of April, 1912, a scale of salaries payable to the masters and officers of all Australian vessels was prescribed, and is now in force throughout the Commonwealth. In the case of passenger ships the rates for masters vary from a minimum of £21 per mensem to a maximum of £45. The corresponding salaries payable to subordinate officers vary from £10 to £20. Service on cargo vessels is less

liberally rewarded, masters being allowed remuneration ranging from £20 to £36 per month; and officers of inferior grades from £10 to £18. Engineers of all classes receive monthly allowances rising from a minimum of £10 to a maximum of £29. These latter rates were prescribed as far back as May 1909, so their revision at an early date may be anticipated. For the "living wage" doctrine is a doctrine of perpetual motion—in an upward direction. Each time an award is issued raising the wages paid in one industry the general costs of living are more or less increased; and the increase at once justifies a demand for a proportionate increase of remuneration on the part of the men engaged in other industries. Thus a procession of suitors is continually passing before the judgment-seat of the benevolent functionary who presides over the Federal Arbitration Court; and each momentarily gratified suppliant, on leaving its precinct, takes his place at the end of an ever-lengthening queue of expectant beneficiaries waiting more or less patiently at the door. Last year alone, according to official figures, no fewer than 163,132 persons in the Commonwealth were awarded increases of wages averaging just 4s. 6d. per head per week. Unsatisfied hordes of workers, however, still clamour for more; and the harassed practitioner of the "living wage" doctrine thus occupies the painful, though self-imposed, position of a judicial Sisyphus.

Passing from the higher to the lower ranks of the Commonwealth seafaring population, we find that, by the latest award delivered on the 30th of November, 1911, the minimum wage of each ordinary seaman over the age of eighteen was raised to £6 per month, while firemen, greasers and donkey-men were granted from £10 to £11 for the same period. A supplementary award bestowed similar increments on marine cooks, scullerymen and stewards. Through modesty, perhaps, the cabin boys appear so far to have held aloof from the tribunal of the sympathetic industrial autocrat, who has conferred such substantial benefits on the officers and rank and file of the marine service. Their turn probably will come next; and then the skippers, or engineers, will begin the round again. So far, it is affirmed, the operation of the two awards just epitomised has increased the annual wage-bill of Australian shipowners by about £300,000 a year, the result, of course, being a corresponding increase in fares and freight charges. The major part of the additional burden falls ultimately on the shoulders of the hapless agriculturist: and should a farmers' revolt hereafter be chronicled in Australian history, its leaders, if the present industrial policy be continued, will certainly not lack justification.

Were full use made by the Commonwealth Government of the powers confidingly entrusted to it by virtue of the enactment

now under notice most mischievous consequences might undoubtedly be apprehended. It is interesting, by the way, to observe how, in this case, history has repeated itself—backwards. The American colonists during the 18th century, as every school-boy knows, strongly resented the action of the Home authorities in interfering with their trade and shipping; and the bitter feelings so aroused very materially hastened the final catastrophe. Now the position is reversed. The Mother Country finds it politic to permit a colonial Government to penalise, at pleasure, her shipping and trade. Apart from British and foreign interests, those of some portions of the Commonwealth itself would suffer directly and heavily in the contingency contemplated. For instance, cargo of a perishable kind, for which only the great mail steamers provide conveniences of transport, might be awaiting the arrival of a mail boat at Fremantle for conveyance to Melbourne or Sydney. But, unless the company were willing to pay the crew, consisting possibly of Lascars accustomed to Eastern rates of remuneration, what in their case would be most preposterous wages, the goods would have to be declined, to the loss both of the would-be consignors and the steamship company. Passengers, too, would have to wait, no matter how urgent was the need for speedy departure.

Even more disastrous effects would probably, under such conditions, be experienced in Tasmania. At present, during the fruit export season, the mail and other large steamers call regularly at Hobart to ship apples and pears for the English market. Large numbers of tourists take advantage of these visits to make what is called the "round trip," starting from Brisbane or Sydney for Tasmania, spending a week or two in the island, and returning by a later mail steamer to the port of embarkation. This traffic is distinctly lucrative both to the steamship companies and the people of Tasmania; but should the vessels engaged in it not be exempted from the conditions that might be imposed under the new Act, it must cease. Further harmful results would probably follow. The shipping companies, being deprived of the revenue derived hitherto from inter-State passengers, would be obliged to recoup themselves by raising their charges for the conveyance of fruit from Tasmania to England, and the producers would suffer severely. Only a Government of mere imbeciles, of course, would abuse so nefariously the powers at its command; but still the possibility exists; and trade-union spite and rapacity have already driven Labour Ministries in the Commonwealth to dangerous as well as grotesque extremes. For this fact rules the situation. When Labour is in power in Australia, the Government is responsible,—not to the people—but to the political Labour Congress; and

the delegates who compose this body are not men of a kind competent to rule their rulers.

Other troubles and embarrassments of a purely domestic description would certainly attend the rigorous enforcement of the Commonwealth Navigation Act; but the examples given must, for the present, suffice. A word or two may now be said concerning possible external complications of a grave and delicate kind that might confront the administrators of the measure. Besides the German and French vessels that now trade regularly with Australia, there are important Dutch and Japanese lines, whose steamers periodically call at a number of ports along the east coast of the continent. The owners of these vessels, manned as the latter are by brown or yellow crews paid at low rates, would be most injuriously affected by the operation of the new conditions. A Japanese captain, for instance, would be in by no means an enviable position were he obliged to pay his coolie mariners wages at rates varying from £6 to £10 per month during the fortnight of the period occupied by the voyage and about a quarter as much for the remainder. The first pay-day after leaving Australian waters might prove to him a day of excitement. And, assuming contumacy on his part, it is scarcely likely that the Japanese Government would permit the detention of a vessel owned and manned by its subjects in some small Australian port at the command of the local Customs officer. Such an incident, if not dealt with most tactfully, might even lead to an ultimatum were Great Britain involved at the time in serious foreign or domestic embarrassments.

On a general survey of the case, while it may be freely granted that the measure contains many wholly admirable provisions, regret must be expressed that the Imperial Government, before ratification, did not eliminate, or at least amend, some that, in operation, may prove both injurious and dangerous. The nurse does not act wisely who hands her crying charge a double-bladed knife to stop its lamentations; her turn to bewail may come later, when her own fingers have been cut. In their usual benign fashion British statesmen have paid tribute to Australian "nationality" by a complacent acquiescence in a policy capable of assuming a decidedly anti-Imperial tendency. They have saved themselves indeed a little unpleasant disputation, but at the possible, if not probable, price of heavy loss to the trading classes of their own country and peril to the Empire.

F. A. W. GISBORNE.

TARIFF REFORM

THE MOVEMENT ANALYSED

By J. CHRISTIAN SIMPSON

FREE Traders deluded themselves in 1911 that Mr. Asquith was right when he referred to the imminent celebration of the obsequies of Tariff Reform and Imperial Preference, which he characterised as "one of the greatest and most disastrous political impostures of modern times." Some time later, Sir John Simon delivered what he no doubt conceived was a post-mortem eulogy, but it has proved to be a case of premature burial, seeing that he has been constrained to resign a safe seat in the East End to take up the cudgels in Manchester on behalf of the so-called Free Trade policy.

This policy of free imports—not Free Trade—practically resolves itself into a system of Protection—not, however, to British workers, but to foreigners who use our markets to compete unfairly with the products of our own workmen's labour. However satisfactory such a system might have been when Great Britain held the proud monopoly of manufactures in the whole world, and provided that other nations had also adopted it in five years as predicted by Mr. Cobden, it must be perfectly obvious that the same system cannot be the best business arrangement under the totally different international trade conditions that now prevail. We hold no longer the manufacturing monopoly in the world; countries we used to supply are now our great and powerful rivals, and those rivals are so because, instead of adopting Free Trade, they have protected themselves by tariffs especially designed to keep out our goods they may happen to desire, and also to raise a certain amount of revenue.

Sir John Simon's proposed epitaph is admirable, for it reminds us that the Tariff Reform policy had lofty, not sordid, aims; that it was a consistent whole; that it would have raised a substantial revenue, and would have conferred a valuable preference on the Dominions. This is a decided advance on the usual misrepresentations by Free Trade writers and orators, who condemn the policy as being a crude and cruel imposition and juggle of taxes,

which the consumer must inevitably pay—regardless of any differentiation between competitive and non-competitive goods. Sir Stanley Buckmaster even now cannot realise that it is contrary to all the principles of Tariff Reform to tax raw material as is done by the Port of London Authority, and he petulantly complains that the policy is “devitalised” because no new food taxes are proposed, and so an electioneering cry has to be smothered down with what decency he can command. The insincerity and inconsistency of these Free Traders is amply proved by the protective and safeguarding Acts they have passed and the agreements they have signed. The Tariff Commission devoted Memorandum No. 50 to this subject, which I discussed in a recent issue of *The Empire Review*.^{*} The statement by Mr. Disraeli in 1833 that insincerity is the vice of a fool, inconsistency the blunder of a knave, is remarkably up to date when the present position of the Radical Government is considered.

I am therefore encouraged to attempt an analysis of the Tariff Reform movement, which is so very much alive, on the lines laid down by *The Organisation Society*. They start with the axiom, “All society is an extension of the individual,” but as no particular individual is possible, a theoretical standardised individual is created, the theoretic extension of whom will include society. This standardised individual must measure 100 in every function, organ, or faculty. The science of organisation consists in pooling the various forces at work in any great movement, and then grouping them according to the four main functional divisions of the standard individual.

The first great function is “directive” or spiritual, with its centre in the cerebrum, and included in this are four subdivisions: (a) intellectual, dealing with abstract knowledge—apprehending truth and error; (b) moral, relating to moral law, order, law, tradition—apprehending justice and injustice; (c) æsthetic—relating to arts and crafts—apprehending beauty and ugliness; (d) emotional—relating to feelings of personal or popular attraction or repulsion—apprehending love and hate.

The second function is a “vital” one seated in the alimentary system, and includes economic conditions. The third is the “physical” framework for purposes of locomotion, protection, retaliation, etc., centring in the skeletal and muscular systems, and is represented by political organisations. The fourth is “genetic,” for the reproduction and perpetuation of the species, and so deals with all works in connection with problems, whether distinctly male, female, or juvenile.

Such is a very brief sketch of the basis of the sevenfold analysis which *The Organisation Society* has so strikingly applied to such intricate and complicated subjects as the Labour

^{*} February, 1914.

Movement or the National Insurance Act. I have tried to adapt it to the Tariff Reform Movement, in the hope that such an analysis may help to clarify and define an admittedly complicated and far-reaching proposition. Considerations of space compel a modification of the original tabular arrangement set forth in *The Organisation Society Review*,* but the method I have adopted will prove equally serviceable to enable one to grasp the points that the Society advocates, "so that anyone can overlook and appraise the various forces at work at their true fighting value." They are disposed in such orderly array that the ordinary individual can at once discover where they are in accord or discord with the corresponding functions or faculties of the body economic or politic, as conceived by him.

1.—DIRECTIVE.

(a) Intellectual. (Truth and error, abstract knowledge.)—Tariff Commission, Tariff Reform League, Women's Unionist and Tariff Reform Association, Imperial Tariff Committee, Tariff Reform Scouts, Organised Lectures, Unionist Press with three or four exceptions, Publications by Tariff Reform League, National Unionist Association, Primrose League, Imperial Conferences, Imperial Fund propaganda, Junior Imperial League, Visits by Deputations of British Working Men to Protected Countries.

(b) Moral. (Justice and injustice, law and order.)—Fiscal Reform aims at rendering justice to the British workman and the products of his labour. Imperial Preference will render justice to the colonies and to ourselves. Readjustment of food taxation will render justice to the consumer, who now pays every penny of it.

(c) Aesthetic. (Arts and crafts, beauty and ugliness.)—Exhibitions of dumped manufactures. Exhibitions of the natural resources of the Empire and of manufactured goods. British Arts and Crafts Exhibitions.

(d) Emotional. (Feelings of attraction or repulsion in masses of people.)—Lantern Lectures, Cinematograph Shows, Prize Competitions, Prize Banners, Recruiting Prizes, Chamberlain Crosses and Badges, Public Demonstrations and meetings.

II.—VITAL (Economic).

Four problems to be solved by Tariff Reform. Four principles regulate the imposition of a tariff. Tariff Reform versus Protection.

III.—PHYSICAL (Political).

Unionist Party is the chief political force. The Irish Nationalists are mostly Tariff Reformers. The Unionist

* January, 1913.

Labour Party. All sane Trade Unionists, if consistent, should be Tariff Reformers. The Trade Boards Act would be assisted by Tariff Reform. The Edinburgh Policy. Certain Protective Acts and Agreements recently passed by the Radical Government.

IV.—GENETIC. (Problems distinctively male, female, or juvenile.)

Women's Unionist Tariff Reform Association. Birmingham and Midlands Women's Imperial Tariff Reform League. Dames, Wardens, etc., of the Primrose League. Female sweated labour problems. Alien Immigration. Emigration in excess.

This summary, incomplete though it is, gives a bird's-eye view of the whole Tariff Reform movement; but it may be well to consider more in detail some of the forces at work.

The general "Directive" function of the Tariff Reform League and similar organisations is to advocate "the employment of the tariff with a view to its use to consolidate and develop the resources of the Empire and to defend the industries of the United Kingdom."

Reform of our Fiscal Policy has as its "Moral" function the improved status of the British working man. It will render unto him justice, by increasing his opportunities for employment and consequent increased wages to enable him to meet the increased cost of living, which is an accomplished fact under the *régime* of free imports. It is unjust to our great productive industries to compel them to bear the whole burden of rates and taxes—varying from 12 to 15 per cent.—for the upkeep of the country and Empire, and there seems to be no end to other burdens on the cost of production, all of which the foreigner escapes. Thus the price of all home manufactured articles must contain two essentially British elements that the price of free imported foreign manufactures of a similar nature do not. They are: (1) the rates and taxes so largely devoted to keep up the very market these foreigners use free, and (2) the enhancement of the cost of production by restrictions as to hours, methods of working, improved sanitary conditions, Shops Act, National Insurance Act, Compensation Acts and so on, all of which, whether good or bad, cannot fail to have a cumulative effect on the cost of the article to the consumer. To take only one instance, it is estimated that the administration alone of the National Insurance Act will cost the State, otherwise the consumer, six millions a year, in addition to the contributions of employers and employees—again the same consumers. As Mr. Austen Chamberlain said, this system makes our country a paradise for the foreign merchant, but it is the undoing of our own working men.

Imperial Preference as at present in operation is one-sided. Such a one-sided policy was condemned in the recent report of the Royal Commission on the trade relations of Canada and the West Indies, which was appointed by the present Government, and whose chairman was a well-known Free Trader, as well as others of its members. In so far as actual cash is concerned it amounts to a payment of over £2,000,000 sterling to our traders, but the door is banged, barred and bolted against the colonies by way of return. This is an injustice, not only to our colonies but to ourselves, for the full policy is the best means of increasing the production of Empire-grown food supplies and imports of raw material. The colonies have asked for the establishment of the principle of mutual preference on the basis of existing duties. This will provide a preference of considerable value to South Africa, India, and all tropical colonies. In Canada it will be of less immediate value, but the general tariff on foreign manufactures will become more and more valuable as the industrial side of colonial development gradually increases. The main point is that if the principle of Preference can be adopted, it may be applied also in other ways, according to circumstances, by other means than actual tariffs.

Our present food taxes are unjust to the consumer, who has to pay the whole of the tax, amounting to £10,000,000 a year. A broadening and readjustment of those taxes is urgent, as they are very heavy on only a few articles of universal consumption, but which we cannot or do not produce at home. Hostile tariffs are directed against our goods, and undoubtedly keep them out of protected countries. This is admitted by Mr. Asquith and the Chancellor of the Exchequer, and is unjust to our export trade and industries. On the other hand, the want of a tariff is also unjust to ourselves, as it is a serious loss of power in bargaining with foreign countries who have a tariff. "The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities is to impose corresponding revenue duties on theirs."

The "Emotional" function of Imperial Preference and Reciprocity is one of attraction in contradistinction to a repulsion which might develop, and indeed was hoped to develop, under the action of Free Trade, which was indifferent to any sentimental or emotional elements in the bonds of Empire. Since his visit to Canada Mr. Samuel has declared, however, that Liberalism has progressed from the attitude towards the Empire, adopted by Cobden and his followers, when sound orthodox Liberalism taught that to end the Empire through the action of Free Trade was the only desirable thing. This is so far satisfactory, but there is still ample room for further Radical progress from the economic point of view.

Mr. Harcourt has admitted that the silken bonds of Empire might be broken by one day's debate in the House of Commons. It is therefore well to realise the value of our trade with our colonial possessions. The most recent return shows that our export trade to all destinations was in 1912 valued at £487,223,000. No less than £177,092,000 went to our colonies, the balance of £310,131,000 to the rest of the world. The other important point is that it is solely through this great colonial trade that we still are nominally the first in the export trade of the world, for our figure of £310,131,000 is exceeded by Germany to the extent of £127,719,000 and by the United States by £137,081,000.

There are four "Vital" or economic problems that Tariff Reformers intend to solve, and these are not only consistent, but inter-dependent on each other. Free Traders so persistently caricature Tariff Reform as a sort of one-legged stool on which the country is asked to balance itself, that it is necessary once more to clearly define these four questions. They are (1) the broadening of the basis of taxation, (2) the safeguarding of our great productive industries from unfair foreign competition, (3) the question of foreign markets and the power to bargain which a tariff confers, and (4) the question of our colonial markets and the establishment of Imperial Preference. Four principles which will guide the imposition of a tariff have been laid down. They are that the duties shall be (1) widespread in their incidence, (2) small in amount, (3) not be imposed on raw material, and (4) not alter the proportions in which the working classes are asked to contribute to the cost of government.

An average tariff of 10 per cent. *ad valorem* on imported foreign manufactured goods has been admitted by eminent Free Traders as sufficient to yield a handsome revenue. This low average could be arrived at by imposing a comparatively higher rate on some £30,000,000 of imported luxuries, while a lower rate would be charged on articles which are necessaries. It must be evident that such a policy is not "Protection" so-called. The exact rate of the duty depends on the amount of labour expended, and will be the utmost that it is possible to exact from the foreigner, as that is the duty which can raise the largest revenue, and can best improve the position of the home producer without permitting him to raise the price to the consumer. Tariff Reformers are as anxious to buy cheaply as Free Traders, but cheapness to the consumer may be very bad business to the home producer, and thereby to the nation in the long run. Practically the whole wage-earning classes are producers before they can be consumers, therefore increase in the productive capacity of the people and nation must come before the blind worship of the idol of immediate cheapness. It is on national production, not on

national consumption, that the income of the nation depends, and out of which wages and profits alone can come.

It is perfectly possible to make increased profits to meet increased wages without increasing the price to the consumer, for an increased total production will ensure a decreased cost of production per unit of the article produced. We are suffering from a fiscal defect, the cause of which has been diagnosed as "the luxury of imports." * If "it comes as something of a shock to South Africans to realise that they are spending each month considerably over half a million sterling on imports that might well be produced locally," what word could suitably describe the state of our body economic when our figures are fully realised? The fact is that new sources of revenue must be found to meet a Radical retrenchment and reform Budget of over £200,000,000 a year. The limit, if not the very edge of Free Trade finance, has been reached. Mr. Asquith has acknowledged this by seriously contemplating the suggestion previously made by Sir Alfred M. Mond, that the whole system of levying the income tax must be revised in a downward as well as an upward direction. He has also admitted that any further reduction of Free Trade food taxes is impracticable, and that a free breakfast table policy is impossible, however often it may have been promised by various of his supporters at election times or at meetings of the National Liberal Federation.

From a "Physical" and political point of view Tariff Reform should be a National and Imperial function, and it is a grave misfortune that it has become a mere Party one through stress of party circumstances. The United Kingdom is the only country where the two great political parties are at variance on the fiscal policy. Tariff Reform and Imperial Preference are neither "a most disastrous political imposture," "an unscientific policy," nor "a humbug, a sham, a delusion, and a swindle," for a tariff suitable to their individual requirements is the settled trade policy of both Government and Opposition, in our own great colonies and in all the great commercial countries of the world. The Unionist or National Party is the main driving force at the back of this reform. The Irish Nationalists are also mainly Tariff Reformers, but dare not vote for it under the present iniquitous system of logrolling and bargaining for votes in the House of Commons. The Labour Party, if it were a real Labour Party, such as the Unionist Labour Party, which is rapidly increasing in importance and numbers, could not fail to be in favour of such measures to aid their own class. All sane Trade Unionists, if consistent, should also support this policy, for they have got a large, perhaps too large, amount of protection for themselves as workers or producers; so they should therefore see to it that

* *Natal Witness*, Oct. 31, 1913.

the products of their labour are also protected from unfair foreign competition. The Edinburgh policy is a compromise, and consists of (1) Imperial Preference in so far as it can be carried out by admitting imports from British Dominions at lower rates of existing duties and of any duties that may hereafter be imposed, than those from foreign countries, but without the imposition of any fresh duties on imported food-stuffs; and (2) the imposition of a moderate duty, not exceeding an average of 10 per cent. *ad valorem* on foreign manufactured goods (a) to safeguard the stability of British productive industries, and (b) to increase the national revenue and provide funds for assisting agriculture and for purposes of social reform.

The Trade Boards Act is essentially a Protective measure from a "Genetic" point of view, for it intends to benefit more particularly female sweated labour in certain specified trades. It is to be hoped that its scope may be increased to include more sweated industries, whether employing male, female or juvenile workers. The sweating problem, as a whole, cannot possibly be successfully dealt with without Tariff Reform. It is clearly evident that unrestricted foreign competition is directly responsible for the low rate of wages in many industries, and so the utility of the Act would be greatly enhanced by a reform of the present policy. This Free Trade Government have in fact placed themselves in an awkward position. On the one hand they have passed this Act, which is contrary to all their recognised policy, while on the other they dare not carry out the protection it affords to its logical conclusion by seeing that foreign goods, infringing the conditions they impose on home industries, do not injure these trades in their home market. It is most important, therefore, that active branches and agencies of the various directive organisations be developed, reproduced and perpetuated until the great goal has been gained and victory is secure.

One cannot but feel that Rudyard Kipling must have had Unionists and Tariff Reformers in his mind when he wrote,

If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools. . . .
Yours is the earth and everything that's in it,
And what is more, you'll be a man, my son.

An Empire cannot be made by fits and starts, or reared on an empty stomach. An Empire cannot be sustained or perpetuated by discontented citizens. An Empire cannot be preached, or its glory conceived, in the poverty-stricken homes of "millions of people who are not earning enough to build and sustain sufficient strength to discharge adequately their daily task—millions, millions!" under present-day Free Trade conditions that the Radical Party or faction is pledged to support.

J. CHRISTIAN SIMPSON.

AUSTRALIA FOR BOYS*

BY H. S. GULLETT

THE ideal system of Empire migration would be one which would furnish opportunities in the rich and relatively empty Overseas Dominions for those people who can be best spared by the overcrowded Mother Country. It so happens, however, that the man or woman who is most valued by the United Kingdom is the most coveted by Australia and Canada. This is especially true of British farmers, experienced farm workers and domestic servants. So long as the Dominions could obtain people of these classes in large numbers there was little or no disposition to take any other. Happily, however, a change in this policy is now being forced upon the Overseas Governments. Unable to secure from Great Britain sufficient experienced farmers and farm workers to cope with the rapidly expanding farm movement, the Australian States of New South Wales and Victoria have adopted a bold policy of boy migration.

This departure well deserves the whole-hearted support of the people of these Islands. It should appeal both to rich and to poor. It makes generous offers to Public School boys and also to every healthy lad of any occupation between the ages of sixteen and twenty years who is able to contribute 60s. towards his steamship fare. Australian citizenship, in other words, is made available to every growing British boy who has shown that he has the capacity for labour. Already the scheme is proving very popular. There is now established a steady flow of British Public School boys who are proceeding to the excellent Government Agricultural Colleges and Training Farms in New South Wales and Victoria; while lads of the working classes are sailing from Tilbury or Liverpool at the rate of over a hundred a week.

To understand properly what is being offered these boys, consideration must be given to the remarkable rural development which is everywhere transforming the face of the Australian countryside. In brief, the Commonwealth is passing quickly from the primitive pastoral stage to the stage of agriculture.

* For further particulars relating to Boy Emigration to Australia apply to the Secretary, Central Emigration Board, Cromwell House, Surrey Street, Strand, London, W.C.

Everywhere vast areas which, for nearly a century, have been devoted entirely to squatting in immense individual holdings, are being cut up into wheat and sheep and dairy farms of a few hundred acres apiece. On the irrigation areas in New South Wales and Victoria, which are already becoming as famous for productivity in the Commonwealth as the irrigation areas of California are throughout the United States, the individual farms are considerably smaller. For instance, in the Murrumbidgee basin there are now hundreds of families at work on an area which, three or four years ago, was occupied by a single squatter and a few boundary riders. Figures are available to show how pronounced is this farming progress. The area sown to wheat in New South Wales in 1913 exceeded by 800,000 acres the area sown in 1912, while in Victoria the increase for the season was 500,000 acres. The dairy cows of the Commonwealth have for the past ten or twelve years been increasing by about 100,000 annually.

Farming has been found extraordinarily profitable in Australia since the introduction of cold storage made it as easy to export perishables from Sydney or Melbourne to London as from Ireland to London. Fresh butter is sent all the way from Australia to the Thames for $\frac{1}{2}d.$ per lb., meat for $1\frac{9}{16}d.$ per lb., and fruit and other products at corresponding rates.

In all the States there is a feverish activity to extend the zone of the butter factory and the ploughshare. And a long time must elapse before there is any dearth of rich lands in Australia for those who seek them. This means that for all lads, either rich or poor, proceeding to the Commonwealth there is sound opportunity. The Public School boy, whose parents will be in a position a few years hence to spend a few hundred pounds upon the purchase of a farm, will probably go to one of the Government Agricultural Colleges, where he will in a three years' course receive a thorough training in all branches of agriculture and livestock raising; or, if he wishes, he may specialise as an orchardist or vigneron. When he leaves the college he will, if he is wise, engage for a season with an experienced farmer, and so add to his expert training a practical knowledge of the values of land and livestock, and the ways of the working man. Then he will be ready to commence as a farmer, and he will find the Government ready to sell him fertile land upon very easy terms of purchase.

The Government irrigation areas in New South Wales and Victoria afford a good example of Australian State enterprise in the settlement of land. In Victoria the young land seeker may secure a block of fertile land partially improved, well served with clear river water, close to railways and townships, at from £12 to

£20 an acre, payable over $31\frac{1}{2}$ years. Possession of one of these farms can actually be obtained for a deposit of 3 per cent. upon the capital value. Further, the Government will assist generously with a loan towards the building of a house and the making of other improvements. Upon the great irrigation areas in the Murrumbidgee basin in New South Wales an even more ambitious scheme is being operated by the State. Broadly speaking, the conditions are similar to those prevailing in Northern Victoria. There is, however, one interesting difference: no freehold is granted upon the irrigation areas in New South Wales. But the farmers get perpetual leasehold with full right to improvements and transfer; and the rapidity with which the farms are being taken up shows that the experiment has met with the strong approval of the Australian people. The Murrumbidgee lands are valued at from £15 to £35 per acre, and the annual rental is upon the basis of $2\frac{1}{2}$ per cent. of the capital value. As in Victoria, the State gives generous assistance to the beginner whose means are limited.

With such a prospect, it is not surprising that the stream of boys who will later on be supported by a little capital is steadily increasing. But for the time interest in the migration of boys to Australia will centre chiefly in the thousands of lads who are proceeding to engage at once upon Colonial farms. Last year no less than 2,500 of these boys went to Victoria alone. They received substantial financial assistance towards their steamship fares from the Victorian Government, and a definite guarantee of employment with good farmers immediately on landing. With the exception of about 5 per cent. they were recruited from British cities, and had no experience of farm work. Nevertheless every boy was placed in a position where he received as a starting wage not less than 10s. a week, and free board and lodging. This year some 5,000 or 6,000 boys are being sent under similar conditions to Victoria and New South Wales. The reports of the farmers upon the industry and adaptability of this raw material make refreshing reading. With very few exceptions the boys have made good. After two years in Australia every lad should be receiving from £1 to 25s. a week, in addition to his "keep," with an increase during the harvest months. This means that the thrifty, sober youth can save from £45 to £50 a year. When he has saved £100 he will be able to buy a team of horses, and so greatly increase his earnings. Within a few years he should be in a position to take up land for himself. The great majority of land settlers began in this way. Australia properly regards this introduction of British boys as the introduction of potential land settlers. It is British migration of the best kind.

H. S. GULLETT.

A DANGEROUS TRADE

THERE were three people in the carriage besides myself, so that only the corner seats were occupied—an unusual piece of luck when one travels third class in a suburban train late in the afternoon. I was bound on a dreary errand, to visit a young relative whom hereditary misfortune (on the maternal side, I beg leave to state, not on that of our mutual connection) had landed in that saddest of all refuges, an asylum for the insane.

I am a solicitor and a busy man, obliged to make use of my time even when travelling, and I had occasion just then to study the details of the law, as lately amended, respecting dangerous trades, more especially the regulations as to the handling and distribution of poisonous substances (see 8 Edw. VII. c. 54 et seq. 1908). I settled down to my papers as the train moved out of the London terminus, and within half an hour had mastered the essential points required for a particular case. I noted with regard to certain poisons: "It shall not be lawful to sell any such substance unless the vessel in which the substance is contained is distinctly labelled with the name of the substance and the word *Poison*." Also that: "No person is to sell, dispense or compound poisons . . . unless registered and subject to such regulations . . . as may be prescribed." The technical details that followed would be matter for expert evidence. I folded the papers in order to put them away in my bag, and looked round at my fellow-passengers.

Immediately opposite to me sat a middle-aged woman, not what I should call a lady, but of somewhat uncommon type. She had fine dark eyes and a quantity of auburn hair, coarse in texture, but of a deep rich colour—whether natural or aided I did not feel competent to decide. Altogether she had the remains of showy good looks, with dress to match, but at the same time there were marks both of intellect and of suffering in her face that redeemed it from vulgarity. I had noticed when the ticket-collector asked our destination that she was bound for the same station as myself, and since no one practically goes there except

for reasons connected with the one institution, I wondered idly as I watched her with what tragedy she was concerned.

My scrutiny drew her attention and made me feel ill-mannered, so I turned to consider the other two occupants of the carriage. They were wholly uninteresting: a girl and her young man, poor specimens of town-bred humanity evidently out for the afternoon from some small shop. Probably it was early-closing day, with a cheap excursion to London in the suburb from which they hailed. They had a packet of sweets, two halfpenny papers, and a magazine of stories between them. The girl laid down this last with a sigh. "Oh, it's lovely, that novelette!" she said. (I am quite unable to produce the correct accent.) "The heroine's got my favourite name, Gladys Muriel, and she's in business, same as me. The earl carries her off in his racing motor in the end, leaving the boss of the shop and the dowager countess all struck of a heap." She paused to extract a sweet from the paper bag. "I don't feel as if I shall take much interest in the serial after that," she continued meditatively. "Still, I've finished this, so change over, and give me the *Daily Chit-Chat*."

The youth obediently handed her the paper he had been reading.

"The serial isn't as good as some," he remarked, with the air of a literary critic. "Now I like a serial that really leaves you wondering all day what's going to happen next. I always gets hold of the *Chit-Chat* in the dinner hour, and, 'pon my word, I can't hardly add up a bill sometimes in the afternoon for thinking whatever the 'tec in the story will be up to to-morrow."

"I don't care so much about a serial," returned the girl indistinctly, her mouth full of something sticky. "I can't wait to know what's coming; I want to read it all off at a stretch. And I don't care so much for 'tec stories—give me love-making, and plenty of it." Her anæmic little face took on an expression of sensuous pleasure, and the thin narrow chest heaved excitedly. Her companion was already absorbed in the gaily-coloured magazine with its flimsy sheets of villainous print. "Yes, it's 'ot stuff this," and he nodded approvingly.

I turned away with impatient disgust. Why did I listen to the talk of these ignorant young people with their vulgar taste for literary trash? The police court reports give ugly evidence day after day of the destructive effects on character, brain and moral, of these wretched "novelettes" that feed crude minds with sickly eroticism, unwholesome excitement and perverted representations of life. They ought, undoubtedly, to be labelled *poison*, I thought, as I leant back in my corner with a sigh. My opposite neighbour, oddly enough, seemed interested in the

remarks that had passed, but perhaps, like myself, she wished to avoid staring at her *vis-à-vis*. Presently the train stopped, and the young man and the girl got out. I moved to the further side of the carriage, and soon, over the question of opening or shutting a window, got into conversation with my fellow-traveller. Her talk confirmed my first impression; she was certainly not a lady by birth, but possessed the attraction of a distinct and vivid personality, a ready wit and shrewd perception. She spoke with surprising frankness of herself and her own concerns. I learnt that she had travelled a great deal, that her husband had made a fortune and subsequently lost it. I gathered also she was a widow, and, when the train finally stopped, and we found ourselves companions again in the omnibus belonging to the only local hotel, she was moved to further confidences.

"Going to look after someone up there?" It was more an assumption than a question, as she indicated the pile of buildings that loomed through the twilight a mile ahead. What else should anyone come here for?

I briefly acquiesced.

"I live here, more or less," she said, "at the hotel, to do what I can for my daughter. She is my only child, and has been here the last three years."

I hazarded a hope that she might yet recover.

"Not much chance," was the reply.

* * * * *

I had hoped to get over my visit, and all business in connection with it, on the following day, but the superintendent, whom I considered it essential to see in person, had been called away, and I was obliged to await his return. Misfortune often makes strange companions, and among the oddly assorted handful of visitors at dinner in the hotel on the second night, aloof and silent, each dreading lest his or her name and business should be known, it was a distinct pleasure to recognise my acquaintance of the journey, and to receive her bow and smile. When the depressing meal was over, I ventured to approach her as she rose and moved into an adjoining room.

"Do you mind my cigarette?" I inquired.

"Not a bit; in fact I'd like one myself if you can spare it."

I held out my case and she helped herself without ado.

"Does one good after a hard day's work," she remarked, inhaling the smoke with evident enjoyment; "but I'm in low water just now, and can't afford cigarettes."

She apparently wanted to talk about herself, so I asked what her work might be.

"Writing," she answered briefly. "I write every day from early morning till lunch-time. Then I spend the afternoon with

my daughter, when it is possible. I work again from six to seven-thirty, and after dinner I type out what I've done in the day. Sometimes I go on with it a bit again, but it doesn't do to sit up too late over it at night, or I don't sleep properly, and then I'm tired in the morning, and can't get through my usual quantity. That's the way my poor Rachel broke down." She paused and drew in another long breath of her cigarette.

Her speech grated on me strangely. Literary art is an object of admiration that approaches worship with me. The beauty of clear thought incarnate in appropriate language, the dignity and rhythm of words chosen for set purpose with delicate precision, touch me more nearly than equivalent expressions of art in material form and colour. Obviously all writers cannot be artists; yet to hear literary production referred to as though it were purely a matter of mechanical skill—so much in so many hours—was unwelcome. Perhaps she worked at translations—that might tend to become mechanical—or even at writing advertisements. I have been credibly informed that this latter is well paid. My curiosity was stirred.

"Do you write on any particular subject?" I asked.

"I write stories," she answered—chiefly newspaper serials. "The 'Joint Stock Journals' give me a standing order, and I can turn out an ordinary serial in about a fortnight, and get £30 to £40 apiece for them. Rachel could do them quicker and better than I can; I have known her make £50 in a week when I did the typing for her. And we used to have such fun with the money—theatres as often as we pleased, and nice little jaunts to Paris or the Riviera. She was clever, and a pretty girl too, my Rachel; she had such bright eyes, and curling chestnut hair, like mine."

"But how in the world can you devise fresh plots, or draw new characters with such lightning speed?" I queried. "Of course having travelled so much, you have plenty of material for descriptions of life abroad, and can lay your scenes in different countries."

She laughed with weary scorn. "Bless you, no one wants descriptions of scenery or foreign people, nor character studies neither. Nothing outside the British Isles is the rule, and not too many sunsets on the river. Plenty of incident, plenty of lovemaking—that you must lay on thick—a beautiful girl with golden hair for choice, a rich young man in love with her, plenty of relations with titles and no morals to speak of, some narrow shaves, and a wedding at the end, there's your stock in trade. With a fair amount of brain you can reel off the stuff by the yard, and it pays, hand over fist, cent. per cent. better than your high-class writing. My stories are sold every day by the thousand,"

she added with a touch of pride, "though you need not expect to find them mentioned in the reviews. Did you never happen to read one? I'll lend you one if you like, the very one that girl and her young man were talking about in the train, that was mine."

"And your daughter, you say, broke down from overwork at this sort of thing?"

"Yes, she would overdo it. She was so ingenious with her ideas, and then she'd get excited, and talk of nothing else. She was writing four at once, in chapters, and had just finished one in which the heroine, 'Lady Cynthia,' she called her, was poisoned by a woman who had taken up with her husband, and suddenly my poor girl went off her head, and fancied she was Lady Cynthia herself. She fancies still that she is all sorts of people, generally someone out of her own old stories. When she talks it is so often of the old plots. Well, well, I must go off to my typing. Good-night; I will send that story round to your room."

And she did; but I did not even attempt to read it. The grim tragedy she had drawn for me made that impossible. I pictured Rachel's life from her mother's words, and the inferences plainly to be drawn from them. I could imagine the pretty child with chestnut curls, the spoilt darling of the once prosperous father, the bright attractive girl accustomed to gaiety and luxury; then the blow of the father's death with the resulting loss of home and money, the impatient craving for the pleasures that had become her main object of existence, the absence of training or tradition to give balance to the quick intelligence, or weigh conscience against strong commercial instincts. No thought, apparently, had ever troubled mother or daughter regarding the effects of their work; they busily manufactured brain-poison, because it commanded a price above clean work, and dealt in it, without scruple, for distribution to the multitude. Then, while still in the freshness of her youth, when she was barely six-and-twenty, Rachel had fallen victim to her dangerous trade—she had wrought the destruction of her own reason.

And while she raved in incurable madness, her mother toiled on at the same devil's craft, to pay the fees of the asylum.

M. I.

THE CHINESE SLAVERY LIE

THE AFTERGLOW AND ITS EFFECT ON INDUSTRY

By W. B. TAYLOR

NINE years ago the Liberal Party discovered "Chinese labour." The discovery and its manipulation revived their fortunes, but the withdrawal of the necessary labour from the mines put back a flourishing industry and demoralised and disheartened genuine enterprise. The result of that selfish and ill-considered action the world realises to-day. British prestige has given place to Dutch. The high cost of mining has caused numbers of low grade mines to close down, and this cost, together with the white labour demands, threaten the early exhaustion of all the high grade ore, leaving an unpayable shell. The very soul and support of South Africa is its gold, and the only way the gold can be worked profitably and lastingly is to work it at the lowest possible cost. Thereby alone will capital be tempted to assist its extraction, and confidence induce investment in South African securities.

The labour party in South Africa fell into the hands of leaders who outraged every condition, culminating at last in the recent labour debacle. As long as labour dictated, the mine-owners had to employ white labour, whether they required it or not, and cost became impossible. In the early days when the old Dutch Knickerbockers started at the Cape, the black man was restricted to do the work allotted to him as a slave: and ever since there has been a tacit white rule to give no work to a black man that a white can do. But the action of the labour party has changed all that: they have emancipated the black. Henceforward he will rise to do whatever work he is capable of, and the effect will be a stride in the evolution of his race.

The recent reports of the economic commission, and later of the chamber of mines, have caused a nervous sensation, and the question how long the mines will last is occupying all minds. Throughout the Rand, as well as in parallel reefs, there is yet untouched an unlimited supply of low grade ore which can be

worked for an indefinite period, and so carry on the life and prosperity of the country; but this answer has not been given officially, and until it is, suspense will continue. One would imagine that the public who hold and lend this country millions would be the first to see that their security was in order; for if the gold production falls away, where is the security for all the capital invested in this country's bonds? The railway is the greatest asset as a revenue producer, but without the mines it would be a millstone. True, the land may produce close upon forty millions sterling per annum, but the cost of administration has to be considered. Without the gold there would be a loss of millions yearly, and although in time agriculture will replace mining, the change will take several years to accomplish.

If South Africa continues to borrow large sums of money in England, then guarantees and assurances regarding the future of the mines should be given. And if this were done it would be "up to South Africa to see it good." The Union Government would then be compelled to render every assistance to obtain the necessary labour, and although the status of the native as a workman change and white labour diminish, it will lead to a more honest condition as far as the mining investor is concerned.

Frantic endeavours have been made to procure every kind of native from the coasts and territories of this great continent, and the task becomes increasingly difficult. The imminent necessity of procuring 50,000 more natives may cause employers to go farther afield. At present there is no possibility of going to China, it is too far, but it is well to see other restrictions being removed. If the necessary 50,000 workmen be obtained this country would flourish as it should, and have riches enough in mines and agriculture to hold its own with any part of the world. Meantime it looks as if the party that caused the mischief will have to retire, and the work devolve on those who originally advocated all that the Government are now about to do.

W. B. TAYLOR.

JOHANNESBURG.

A WINTER'S NIGHT IN THE MALAKAND

BY CAPTAIN A. E. MAHON

(55th Coke's Rifles, Frontier Force)

ON the North-West Frontier of India, in the midst of the Himalayas, lies one of the outposts of the British Empire known as the Malakand. Here a fort guards a pass through the mountains and the road connecting India with Chitral, better known to the public as "The Broken Road" of Mr. Mason's well-known book of that name.

To get to the Malakand one must leave the main line at the town and cantonment of Nowshera, and travel by a light railway to Dargai at the foot of the Malakand Pass. One crosses the frontier of India midway between Mardan and Dargai, Mardan being the station which is permanently garrisoned by the famous Corps of Guides. On arrival at Dargai one takes a tonga, a noisy sort of conveyance drawn by two horses, and in this way covers the seven miles up the winding road to the Malakand. A mile or so from Dargai the ascent begins. The road is cut out of the hillside. On the left steep and rugged slopes rising above one, and on the right one looks down several hundred feet to a stony bottom resembling a river bed. The road winds up this nullah, a rocky ravine a few hundred yards wide at the mouth, but gradually narrowing as the ascent is made. Some of the turns are very sharp, almost dangerous. In fact, should your tonga have the misfortune to go over the edge you will probably cease to be interested in this life.

At the other side of the nullah are similar precipitous slopes, and from the summit of any of these you see a series of hill-tops as far as the eye can reach on the North, East and West, and to the South the plains of India. It is this mighty chain of hills which separates India from Chitral, Kashmir, Afghanistan and Russia. In a sense the Himalayas make India an island, for they take the place of the sea, and their passage would be much more formidable. In fact, with the exception of a few passes, they are quite impassable.

On reaching the top of the hill you at once realise that you are between two countries ; behind are the dry plains of the North-West Frontier Provinces, in front the fertile valley of Swat, to all appearances peaceful and prosperous, but in reality an almost continual state of feud and strife prevails throughout the land. On the south side of the Malakand the hills are bare except for the coarse, rank grass, but on the northern slopes trees and shrubs of many descriptions flourish, the most common being the olive, fir and mulberry. Flowers also are plentiful, wild tulips, crocuses, bluebells, narcissus and irises grow in abundance. There are numerous springs and watercourses among the hills whose sides are covered with rich moss and beautiful maidenhair ferns.

Such is the scenery of a place which has been a theatre of war for thousands of years. Graeco-Bactrian coins and Buddhist sculpture are still found in the district.

Although seventeen years have passed since our last war in this valley, any day may see another, and it is as necessary to be prepared to-day as it was then. One may not move about the valley without being armed and accompanied by an escort. Let us see what a night in this fascinating spot is like.

The sun has long since disappeared behind 4th Sikh Hill. The guardroom clocks are striking six, the bugles are sounding retreat, the flag which denotes British influence in transfrontier territory is being hauled down and the fort gates are being closed. These are signs that, so far as the Malakand is concerned, the day is over and the routine for the night is about to begin. Outside the fort gates the candles and "chiraghs" are burning on the old woman's shrine, and the woodcutters have placed their bundles of wood beside the grave of some holy man, to save themselves the trouble of carrying them back to their villages, knowing they will remain safe in his charge until they return for them, thus deriving a material benefit from the spiritual belief of their kind.

We have not yet entered the fort, but we do so now through a wicket in one of the large iron gates, which by this time have been securely locked and bolted. On entering we notice the sentries are wearing over their poshteens blanket coats to protect them from the biting wind which comes howling across the snow-clad Laram. Passing the quarter guard, the first thing that strikes us is the fairyland appearance given by the lamps dotted up the hill from the main entrance to the upper fort. Proceeding, we reach the mess, outside which the pipes of the regiment are giving further evidence that the night has commenced. On entering we are surprised to find a luxurious ante-room, a large dining-room and a billiard room, and this across the frontier! We spend an hour and a half sitting round a coal fire in jovial

company, and then all disperse to their quarters to dress for dinner, for the first mess bugle has warned us of the flight of time and, even though it is an outpost of the Empire, it is necessary to dress for dinner.

We toil up the winding path to the upper fort, and find that it is a climb that takes us about ten minutes and most of our breath. Having changed in one of the little tin-roofed quarters we descend to the mess again. On emerging from the upper fort we are again struck with the appearance of the lights, only this time one gets the impression that one is looking over a harbour or bay and that the lights are ships' lights; this impression becomes more realistic when we notice that some of them are moving, for, though they are being carried by people moving about the zig-zag paths, we are unable to see anything but the lights, and it requires only a small stretch of imagination to fancy that they are ships threading their way through those at anchor. By this time the wind has got up and we hastily button up our greatcoats.

Descending the hill, the powerful electric lights of the canal workshops at Piran Kili, two miles off, give one the impression of a large city, and strike a strange note of civilisation in the midst of a wild and uncivilised country. Nearing the mess we hear the rattle of the signal lamps as they flash messages to Dargai, from whence we can see the answering flashes. In the same way messages are flashed up to Guides' Hill and from thence on to Chakdara. Hanging in the mess verandah is a varied array of uniform and mufti greatcoats, coats—warm—British and poshteen.

On entering the mess quite a gay scene presents itself, bringing home the fact that the small garrison is composed of a variety of people. One sees the drab uniforms of a frontier force regiment, the red of the garrison engineer and the last joined subalterns from the unattached list, the blue of the gunner, the white facings of the political agent and the black of the civilians, officers of the Public Works Department employed on the Malakand tunnel and the Swat River canal. In addition there are probably guests from Chakdara or Dargai, for it is Saturday night, and all have congregated at the polo ground at Khar during the afternoon, and it is the custom for some who have journeyed over for the polo to spend Saturday night at the Malakand, where they enjoy the hospitality of their brother officers and break the monotony of their existence in the smaller and more isolated posts. On several occasions as many as twenty-five sit down to dinner in this little out-of-the-way fort on the top of a hill; and no less than seven ladies have been known to brighten the mess with their presence on some festive occasion.

At mess it is difficult to realise that you are not in an ordinary cantonment. The tables are decorated with beautiful flowers grown locally.

By the time we leave the mess the wind has risen considerably and the cold is intense. We ascend the hill once more, and when near the summit are challenged by the sentry posted over the gate of the upper fort. The little door is opened for us and we pass the sentry with his loaded rifle and seek the shelter of our quarters. Outside the wind and jackals vie with each other in making the night hideous, while within the roof and doors rattle and the wind finding its way through chinks drives us into our beds, where we try to get warm and hope the roof will not take its departure during the night as it appears to have every intention of doing. Sleep comes at last and we rest in peace, with the knowledge that we are guarded by sentries who, less fortunate than ourselves, must pass a less pleasant night on the airy Malakand.

A. E. MAHON.

ON THE VELDT

THE blaze of the scorching valley,
The glare of the blinding sand,
Even the breeze seems wafted
Out of a burning land.

The hills are lost in a furnace,
In the heavens no restful spot,
The very flowers are flaming,
And the murky stream runs hot.

How I long for a cool grey noonday;
For the peace of an English sky;
For the green of an English meadow
Where the drowsy cattle lie.

CHARLOTTE PIDGEON.

CANADIAN LOYALTY

BY DOROTHY A. E. VEAL, B.A.

"When on the falling tide the freighted vessels departed,
Bearing a nation with all its household gods into exile,
Exile without an end, and without an example in story."

—Longfellow.

THE subject of Canadian loyalty is very much in the public eye just at present. It seems not inappropriate, therefore, to search in the history of Canada for what may have been instrumental in making it such a sturdy plant. And the object of our search is found in an event that took place towards the close of the eighteenth century, in the years which followed the American War of Independence. This was the influx into Canada, at a critical period in her history, of a body of men of proved loyalty and exceptional devotion to duty, who formed her national character and gave a settled direction to her policy. They are variously known as the United Empire Loyalists, or the Loyalists of the American Revolution, and are so called because they took the side of England in the War of Independence. They were martyrs for the idea of a United British Empire, of which few then conceived, and those few but dimly, solitary and persecuted pioneers of a cause that has since become a force in the world, and may possibly result in unprecedented and great achievement.

There are many reasons why the immigration of the "loyalists" should have been an event of far-reaching importance to Canada. They were themselves men of the type that influences the life of States, and the circumstances of their migration were such as to inspire them with violent prejudices and predilections. What these were appear in the two currents of feeling, the one hostile to the United States, the other friendly to the United Kingdom, along which Canadian statesmen have hitherto suffered the ship of State to float.

It was a process of natural selection which brought to Canada those who were, in a very literal sense, the aristocracy, the best men of the American colonies. They were inevitably Tories, otherwise they would not have taken the side they espoused, and

they came of that portion of the community that is usually credited with conservative opinions. The greater number of them belonged to the official, landholding, professional and commercial classes; those usually dubbed respectable. It is now the fashion to sneer at the qualities which this word is intended to convey; with how much of justice it is not now to the purpose to inquire. History at least can testify for them that they are indispensable to national greatness. The Loyalists were for the most part also aristocrats in the narrower sense of the word; of varied but honourable ancestry, many of them being descendants of the makers of America, a thing of which to be proud. The forefathers of a great number had been political or religious refugees, English Puritans and Royalists, French Huguenots, Dutch and German Protestants, who, among many differences, had this one characteristic in common, that they had left all and followed what they believed to be the call of duty. The strain of self-sacrifice in their blood was to reappear in that of a later generation, and to cause them, in their turn, to forsake all that men hold dear, the houses and cities which their fathers had built for them, and the land which they had reclaimed from the wilderness, and the civilisation which they had built up in this new country. The cause for which they sacrificed themselves was, in many cases, not the same. Puritan blood and a Whiggish tradition did not deter some from espousing the cause of the king and the Tories. It is one of history's ironies that a member of the Cromwell family and a descendant of one of the Protector's generals should have unsheathed the sword against the cause for which Hampden had died. Descent from religious refugees is considered a great national asset and an earnest of the presence in the nation of the qualities of duty, courage, endurance and self-sacrifice. The influx of the Loyalists should be for the same reason a matter for thanksgiving to the Canadian people.

That Canadian history should have been largely influenced by the immigrants is what might have been expected. They had all the qualities essential to leaders in society and politics. The Home Government was naturally prejudiced in favour of supporters of such unimpeachable loyalty and did all in its power, which was, however, comparatively little, to compensate them for their losses. The result was that they founded a similar civilisation in Canada to that their fathers had founded in the United States. Their hand is seen everywhere in the history of Canadian public life, the provinces where it is especially conspicuous being those of New Brunswick, Nova Scotia and Ontario. "The Loyalists and their descendants have given to Canada sixteen Lieutenant-Governors and eighteen Chief Justices since 1784. Since the establishment of the Federal Union, we find seven lieutenant-governors, three first ministers of provinces,

four finance ministers (including the present, the Hon. George Foster), and fifteen members of the Dominion Government."

The influx of the Loyalists had the double effect of estranging Canadian sentiment from the States and of attaching it to the Mother Country. The exiles did not carry away with them any love towards those who had driven them from their country and supplanted them in their homes. The bitter and resentful feelings natural under the circumstances were further aggravated by cruel and unjust treatment. Considerations of age and sex had no weight with the victors. General Hutchinson was not suffered to keep his burial lot on Copp's Hill, in Boston, where his father and wife were buried, but had to see it pass into the possession of the stranger. As for the new proprietor, being less scrupulous than the Carthaginian general, who shrank from making war on the dead, he did not hesitate to erase the old names from the tombstone to make room for his own. Exile and confiscation in general, even death in particular cases, were the punishments meted out to the loyalists, the persecution of whose enemies lasted long after the passion and excitement of conflict could be pleaded in extenuation of it. It is no wonder that their descendants have inherited from them suspicious and antagonistic feelings towards the United States.

But the attachment of the Loyalists to the United Empire was rendered even stronger by the sacrifices which they had made on its behalf. Some idea of the extent of those sacrifices is obtained from a comparison of the homes they left with those to which they fled. The estates of the Tories are said to have been among the fairest; their stately mansions stood on the sightliest hill-brows, the richest and best tilled meadows were their farms; the long avenue, the broad lawn, the trim hedge about the garden, servants, plate, pictures — the varied circumstance, external and internal of dignified and generous house-keeping, for the most part these things were at the homes of the Tories. While an insight into the kind of life to which they went may be gleaned by the following extract from the work of a Canadian historian: "For some years they suffered many privations, one was called 'the year of famine,' when hundreds in Upper Canada had to live on roots, and even the buds of trees, or anything that might sustain life. Fortunately some lived in favoured localities, where pigeons and other birds, and fish of all kinds, were plentiful. In the summer and fall there were great quantities of wild fruit and nuts. The rivers and lakes were the only means of communication in those early times, roads were unknown, and the wayfarer could find his way through the illimitable forests only by the help of the 'blazed' trees and the course of streams. Social intercourse was infrequent except in

autumn and winter, when the young managed to assemble, as they always will. The story of those days of trial has not yet been adequately written; perhaps it never will be, for few of those pioneers have left records behind them."

Few men have made as great sacrifices for loyalty as the "United Empire" Loyalists made, but their devotion is but little known and appreciated. The title under which they have come down to posterity signifies a great deal more to us than it did in the eighteenth century. The idea of a "United Empire" was then one too foreign and little understood for men to see the necessity of making sacrifices on its behalf. But the Loyalists were gifted with superior vision and foresight, and they had, too, the courage and spirit of sacrifice to live up to their lights. They were pioneers in more senses than one; both in a physical sense, in the exploration and opening up of an unreclaimed wilderness, and also in a moral sense, in preaching faith in a new idea, that of a United British Empire.

"Dreamers devout by vision led
Beyond our guess or reach,
The travail of their spirits bred
Cities instead of speech.
So huge the o'ermastering thought that drove,
So brief the term allowed,
Nations, not words, they linked to prove
Their faith before the crowd."

DOROTHY A. E. VEAL.

INDIAN AND COLONIAL INVESTMENTS

BY TRUSTEE

MEXICO has quite upset the calculations of those who were hoping for cheap money and investment activity after the turn of the quarter and the financial year. The adoption by the United States of warlike measures which may ultimately lead to an expensive campaign has shattered the hopes that the Continental demands for gold might be met by exports from New York, and it seems likely that our stock of the metal will become depleted and that money rates will advance. This is not good for the stock markets, and has led to weakness throughout the speculative sections of the Stock Exchange. So far, however, investment securities have presented a fairly firm front, and the few changes on the month in Colonial Government securities have been mostly upward.

Indian Government stocks show practically no change on the month and there have been only a few irregular movements among Indian Railways.

In his Budget speech the Canadian Minister of Finance estimated the revenue for the financial year just closed at \$163,000,000, or about \$5,000,000 less than for the preceding year, which was characterised by the greatest expansion of trade that the Dominion had ever known. This revenue would show

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeem- able.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
3½% Stock (t) . . .	91,276,210	1931	89½	3½	Quarterly.
3% " (t) . . .	66,480,596	1948	76	3¼	
2½% " Inscribed (t)	11,892,207	1926	63	3¼	"
3½% Rupee Paper 1854-5	..	(a)	95½	3¼	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3¼	30 June—30 Dec.

(t) Eligible for Trustee Investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	74½	4
Bengal and North-Western (Limited)	3,000,000	8	100	154	5 ³ / ₁₆
Bengal Doocar, L.	400,000	6	100	103½	5 ³ / ₁₆
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	6½	100	115	5 ³ / ₁₆
Burma Guar. 2½% and propn. of profits	3,000,000	5	100	108	4 ³ / ₈
Delhi Umballa Kalka, L., guar. 3½% + } net earnings }	800,000	10	100	186½	5 ⁵ / ₁₆
East Indian Def. ann. cap. g. 4% + ½ } sur. profits }	1,721,949	6½	100	98½	6 ¹ / ₂
Do. do, class "D," repayable 1953 (t)	4,328,051	5 ¹ / ₁₆	100	119	5
Do. 4½% perpet. deb. stock (t)	1,435,650	4 ¹ / ₁₆	100	110	4 ¹ / ₈
Do. new 3% deb. red. (t)	8,000,000	3	100	75½	3 ¹ / ₁₆
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ½ surp. profits 1925 (t)	2,575,000	5½	100	100	5 ² / ₁₆
Madras and South Mahratta	5,000,000	5	100	113½	4 ³ / ₁₆
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	97 ^w	5 ¹ / ₁₆
Do. 3½% red. mort. debts.	1,063,300	3½	100	80	4 ³ / ₁₆
Rohilkund and Kumaon, Limited	400,000	8	100	154½	5 ³ / ₁₆
South Behar, Limited	379,580	5	100	103	4 ¹ / ₁₆
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	163	6½
Do. 3½% deb. stock red.	500,000	3½	100	81	4 ¹ / ₁₆
West of India Portuguese Guar. L.	800,000	5	100	92	5 ¹ / ₁₆
Do. 5% debenture stock	550,000	5	100	101	4 ¹ / ₁₆
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China }	60,000	17	20	62	5 ⁹ / ₁₆
National Bank of India }	80,000	16	12½	41½	4 ¹ / ₁₆

(t) Eligible for Trustee Investments.
(x) Ex dividend.

a surplus of \$36,500,000 over the amount required for ordinary expenditure. The capital and special outlay, including \$19,000,000 for Canadian Northern and other subsidies, would amount to \$57,000,000 leaving a debit balance of \$20,500,000. After deducting \$1,500,000 sinking funds, the increase in the net debt would amount to \$19,000,000. The Minister contended that having regard to the vast public works and railways, including the Intercolonial Railway and the almost completed National Transcontinental Railway, the National Debt of Canada had been kept within very moderate bounds.

As regards the coming year Mr. White stated that it was the intention of the Canadian Government to keep expenditure within as reasonable bounds as possible, and he added that, in any event, the revenues of the year would be adequate to provide fully for ordinary expenditure and for a large part of the capital and special outlays.

Two Canadian provinces and two Canadian municipalities have issued loans in London during the month, and these issues

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	94	3½ ² / ₁₆	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1933	91	4½ ¹ / ₁₆	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	77	4½	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	92 ^x	4 ⁷ / ₁₆	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	93	4 ⁷ / ₁₆	1 Jan.—1 July.
NOVA SCOTIA.					
8½% Stock	650,000	1954	84	4 ³ / ₈	1 Jan.—1 July.
ONTARIO.					
3½% Regd. Stock . .	1,200,000	1946	87	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed	1,897,820	1937	81	4 ⁵ / ₁₆	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,082,192	1951	91	4 ⁹ / ₁₆	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	94	4½ ⁵ / ₁₆	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	91	5 ¹ / ₁₆	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4 ³ / ₈	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	92	4½	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4½ ¹ / ₁₆	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5 ⁷ / ₁₆	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	95	4 ⁹ / ₁₆	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	90	4 ⁷ / ₁₆	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.
(x) Ex dividend.

have all dropped to a discount. The two borrowing provinces were British Columbia and Nova Scotia. British Columbia offered £1,500,000 of 4½ per cent. stock at 99. This brought the outstanding debt of the province up to £3,709,345. The prospectus stated that the value of the interest of the province in town sites in South Vancouver, Prince Rupert and Fort George alone was estimated at £6,164,380. Among other interesting statistics quoted in the prospectus was the fact that there are 2,000 miles of railway under construction in the province in addition to the 3,000 miles already in operation.

Nova Scotia, the other province that appeared in the new

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	%	\$100	205	4 $\frac{7}{8}$
Do. 4% Preference . . .	£15,173,563	4	Stock	92	4 $\frac{5}{16}$
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	99	4
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	20 $\frac{1}{8}$	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	102	4 $\frac{7}{8}$
Do. 5% 2nd " . . .	£2,530,000	5	"	91	5 $\frac{7}{16}$
Do. 4% 3rd " . . .	£7,168,055	2 $\frac{1}{2}$	"	46 $\frac{1}{4}$	5 $\frac{3}{8}$
Do. 4% Guaranteed . . .	£12,215,555	4	"	85	4 $\frac{1}{4}$
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	114	4 $\frac{3}{8}$
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	89	4 $\frac{7}{16}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	247	4 $\frac{1}{2}$
Bank of British North America	20,000	8	50	77	5 $\frac{3}{16}$
Canadian Bank of Commerce .	200,000	12	\$50	£21 $\frac{1}{2}$	5 $\frac{1}{8}$
Canada Company	8,319	50s. per sh.	1	21 $\frac{1}{2}$	11 $\frac{1}{8}$
Hudson's Bay	1,000,000	50	1	9 $\frac{3}{8}$	5 $\frac{5}{16}$
Trust and Loan of Canada . .	100,000	8 $\frac{1}{2}$	5	6 $\frac{3}{8}$	6 $\frac{3}{8}$
Do. new	25,000	8 $\frac{1}{2}$	3	3 $\frac{1}{2}$	7 $\frac{1}{8}$
British Columbia Elec. Def. } trio Railway . . . } Prefd.	£1,440,000	8	Stock	119	6 $\frac{1}{16}$
	£1,440,000	6	Stock	107	5 $\frac{9}{16}$

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds . . .	2,178,800	1941-7-8*	88	4 $\frac{3}{16}$	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	78	4 $\frac{5}{16}$	
4% Inscribed Stock . . .	320,000	1913-38*	100	4 $\frac{1}{16}$	
4% " " . . .	427,881	1935	101	4	
4% Cons. Ins. " . . .	200,000	1936	99	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % Inscribed, 1910 . . .	800,000	1950	90	4 $\frac{1}{16}$	

* Yield calculated on latest date.

issue market, offered similar stocks at the same price, but the amount was only £760,000. Coming at an exceedingly inopportune time this issue met with even less success than British Columbia's, as much as 82 per cent. of it being left with the underwriters.

The two municipal borrowers were Montreal and Edmonton. Montreal placed £1,500,000 of 4 $\frac{1}{2}$ per cent. Stock at par, the proceeds being required partly for the redemption of Treasury Bills and partly for public works, including municipal electric plant and aqueduct. This issue brings the city's total funded debt up to £15,849,961, whereas the assessed value of taxable property last year was £127,195,415. Edmonton offered £368,800

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	103	3 $\frac{1}{8}$ %	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	97	3 $\frac{1}{8}$ %	
3% " " (t)	12,475,800	1935	86	4	
VICTORIA.					
4% Incribed, 1885 .	5,959,500	1920	102	3 $\frac{1}{8}$ %	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,981,750	1921-6†	96	3 $\frac{1}{8}$ %	
3% " (t) . .	5,211,331	1929-49†	81	4 $\frac{1}{8}$ %	
QUEENSLAND.					
4% Incribed Stock (t)	7,939,000	1924	101	4	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	97	3 $\frac{7}{8}$ %	
3% " " (t)	4,274,213	1922-47†	81	4 $\frac{1}{8}$ %	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	100	4	} 1 Apr.—1 Oct.
4% Incribed Stock .	6,281,500	1916-7-36†	100	4	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	93	3 $\frac{1}{8}$ %	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	89	4 $\frac{1}{8}$ %	
3% " " (t)	2,760,100	1916 † or after.	75	4	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Incribed (t) . .	3,780,000	1920-35†	92	4 $\frac{1}{8}$ %	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t)	3,750,000	1915-35†	87	4	
3% " (t)	2,500,000	1927†	91	3 $\frac{1}{8}$ %	
TASMANIA.					
3 $\frac{1}{2}$ % Inscbd. Stock (t)	4,156,500	1920-40†	92	4	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	100	4 $\frac{3}{8}$ %	
3% (t)	450,000	1920-40†	82	4 $\frac{1}{2}$ %	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustees Investment.

of 5 per cent. Debentures at 98, bringing its total debenture debt up to £4,876,636, against an assessment value of £38,000,000.

In the preliminary profit statement of the Grand Trunk Railway for the second half of 1913 the main details of the half-year's revenue were given, but the full report and accounts now issued add some useful information as to the capital account. On rolling stock £1,911,699 was spent; on new works, £166,342; on new machinery and tools, £3,844; and on land, £10,930, making a total of £2,092,815. The new rolling stock comprised 90 engines, 809 coal cars, 5,125 box cars and 825 refrigerator cars.

With reference to the Grand Trunk Pacific the report states that the main line, which has been under construction eastward from Prince Rupert and westward from Winnipeg, was joined up on April 7 at the Nechako River crossing, 375 miles east of Prince Rupert and 1,371 west of Winnipeg, thus providing a con-

tinuous track from Winnipeg to Prince Rupert on the Pacific Coast. But the report makes no forecast as to the date at which through train services will be running. Powers have now been obtained by the Grand Trunk Company from the Dominion Parliament for the issue of the accounts and the holding of meetings yearly instead of half-yearly and for the amalgamation of the Grand Trunk Company and the Canada Atlantic.

It is evident from the balance-sheet of the Commonwealth Bank of Australia that the youngest of the world's State banks has already attained to an important position. At December 31 the total deposits amounted to over £6,000,000. The cash amounted to £1,500,000 and the money at short-call at £900,000. The first six months of the year had to bear the cost of founding the bank but the second half resulted in a profit of £1,500.

Queensland placed its long-expected issue during the month,

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	99	4 $\frac{1}{2}$	1 Apl.—1 Oct.
Do. City 4% Deb. }	850,000	1915-22*	100	4 $\frac{1}{2}$	
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	102	3 $\frac{1}{2}$ $\frac{5}{8}$	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs. }	128,700	1919	101	4 $\frac{1}{2}$	
Sydney 4% Debs. . . }	900,000	1919	100	4 $\frac{1}{2}$ $\frac{3}{8}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	5%	5	5 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£180,900	4 $\frac{1}{2}$	100	92	4 $\frac{3}{8}$
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	121	5 $\frac{3}{8}$
Bank of New South Wales	125,000	10	20	42 $\frac{1}{2}$	4 $\frac{1}{2}$ $\frac{7}{8}$
Union Bank of Australia £75	60,000	14	25	59	5 $\frac{1}{2}$
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	99	4
Australian Merc. Land & Finance £25	80,000	15	5	7 $\frac{1}{2}$	10
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	94 $\frac{1}{2}$	4 $\frac{3}{8}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{3}{4}$	5 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	101	4 $\frac{7}{8}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£998,530	4	100	85 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. B Income Reduced	£669,543	5	100	95 $\frac{1}{2}$	5 $\frac{3}{8}$
South Australian Company £15	14,200	£4	£4	63 $\frac{1}{2}$	6 $\frac{1}{4}$
Trust & Agency of Australasia	54,979	12 $\frac{1}{2}$	1	1 $\frac{1}{2}$	10
Do. 5% Cum. Pref. Stock	1,000,000	5	100	103 $\frac{1}{2}$	4 $\frac{1}{2}$ $\frac{3}{8}$

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101½	4½	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	100	4½	1 May—1 Nov.
3½% Stock (t)	17,543,932	1940	92	4	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	82	4	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb.	200,000	1934-8*	105	4½	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	101x	4½	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	10½	4½	—
Do. 4% Gua. Stock‡ . .	£1,000,000	1914	100	4½	April—Oct.
Christchurch 6% Drainage Loan.	200,000	1926	110	5	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% Debs.	200,000	1929	106½	5½	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	102	4½	
Do. 5% Debs.	200,000	1928	101	5	
National Bank of N.Z. £7½ Shares £2½ paid)	300,000	div. 13%	5½	6½ ³ / ₈	Jan.—July.
Oamaru 5% Bds.	173,800	1920	99	5½	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	104	4½	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	102½	—	1 Mar.—1 Sept.
Do. 6% Waterworks . . .	130,000	1929	110½	5	1 Mar.—1 Sept.
Do. 4½% Debs.	165,000	1933	101	4½ ⁹ / ₈	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	98	4½	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £8 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

(x) Ex dividend.

offering £2,000,000 of 4 per cent. inscribed stock at 99. The proceeds will be utilised for the construction of railways and for other public works of a remunerative character.

Another half-yearly dividend at the rate of 10 per cent. per annum is announced by the Bank of Adelaide for the past half year, £20,000 being added to the reserve fund, making it £510,000 and £25,167 carried forward. The bank has now maintained its 10 per cent. dividends for five years.

At the meeting to be held in Pretoria on May 29 the directors of the National Bank of South Africa will recommend a dividend at the rate of 6 per cent. per annum for the half year ended March 31, appropriating £80,000 to eliminate entirely the balance of the purchase price of the National Bank of the Orange River

Colony, £200,000 for the reserve fund, making it £700,000, and £30,000 to the pension fund, leaving £27,000 to be carried forward. These appropriations will still further strengthen the bank's position and resources.

Some encouragement was afforded by the recovery shown in the Transvaal gold production during March, which was the largest since last October, though it was £360,000 behind the total for March last year. The following statement gives the monthly returns for several years past :

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . .	2,768,470	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836
February . .	2,660,186	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892
March . . .	2,917,346	3,358,050	3,528,688	2,871,740	2,578,877	2,530,498
April . . .	—	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804
May	—	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699
June	—	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818
July	—	2,788,917	3,255,198	3,012,738	2,713,083	2,636,965
August . . .	—	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646
September .	—	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760
October . . .	—	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902
November . .	—	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146
December . .	—	2,857,938	3,297,962	3,015,499	2,722,775	2,569,822
Total * . .	8,346,002	37,358,040	38,757,560	34,991,620	32,002,912	30,925,788

* Including undeclared amounts omitted from the monthly returns.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Consolid. 4% Stock (£).	4,000,000	1943-63	98½	4½ ₁₆	1 Mar.—1 Sep.
CAPE COLONY.					
4½% Bonds	£ 261,400	dwgs.	101x	4 ⁷ / ₁₆	15 Apr.—15 Oct.
4% 1883 Inscribed . .	3,636,395	1923	102	3½ ³ / ₈	1 June—1 Dec.
4% 1886 "	9,596,166	1916-36*	100	4	15 Apr.—15 Oct.
3½% 1886 " (t) . . .	14,890,744	1929-49†	92	3½ ⁵ / ₈	1 Jan.—1 July.
3% 1886 " (t)	7,484,740	1933-43†	82	4½ ₁₆	1 Feb.—1 Aug.
NATAL.					
4½% Bonds, 1876 . . .	758,700	1919	103	3½ ³ / ₈	15 Mar.—15 Sep.
4% Inscribed (t) . . .	3,026,444	1937	101	4	Apr.—Oct.
3½% " (t)	3,714,917	1914-39†	92	4½ ₁₆	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	82	4	1 Jan.—1 July.
TRANSVAAL.					
3% Guardt. Stock (t) .	35,000,000	1923-53†	92	3½	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee investments.

(x) Ex dividend.

There was, moreover, a substantial increase in the native labour supply during the month, though in this case also there

is considerable leeway to be made up before the supply reaches what it was at this time last year. This is clearly shown in the following statement showing the course of the native labour supply for the gold mines this year and last :

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1913 .	8,774	200,090	January 1914 .	4,190	154,202
February „ .	7,572	207,662	February „ .	3,471	157,673
March „ .	71	207,733	March „ .	5,142	162,815
April „ .	2,309*	205,424	—	—	—
May „ .	7,780*	197,644	—	—	—
June „ .	8,550*	188,094	—	—	—
July „ .	17,852*	170,242	—	—	—
August „ .	12,019*	158,223	—	—	—
September „ .	5,586*	152,637	—	—	—
October „ .	3,755*	148,882	—	—	—
November „ .	1,313*	147,569	—	—	—
December „ .	2,443	150,012	—	—	—

* Net loss.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4% . . .	763,000	1954	92	4 $\frac{7}{16}$	1 Jan.—1 July.
Cape Town 4% . . .	1,851,850	1953	95	4 $\frac{5}{16}$	1 Jan.—1 July.
Durban 4% . . .	850,000	1951-3	94	4 $\frac{3}{16}$	30 June—31 Dec.
Johannesburg 4% . . .	5,500,000	1933-4	92	4 $\frac{3}{16}$	1 April—1 Oct.
Krugersdorp 4% . . .	100,000	1930	91	4 $\frac{5}{16}$	1 June—1 Dec.
Pietermaritzburg 4% . . .	814,855	1949-53	91	4 $\frac{9}{16}$	30 June—31 Dec.
Port Elizabeth 4% . . .	369,068	1964	91	4 $\frac{1}{16}$	30 June—31 Dec.
Pretoria 4% . . .	1,146,500	1939	92	4 $\frac{9}{16}$	1 Jan.—1 July.
Rand Water Board 4% . . .	3,400,000	1935	93	4 $\frac{1}{16}$	1 Jan.—1 July.

It is shown by the latest annual report of the Rand Mines, Limited, that nearly the whole of the big dividends paid by this big controlling group, amounting to 220 per cent. per annum, are now derived from dividends from mine-operating subsidiaries and not from such adventitious sources as the profit on share transactions. This, of course, is very satisfactory from the shareholders' point of view, indicating that the Company is on a much sounder profit-earning basis than in the old days. For last year the dividends received by the Company amounted to £1,110,249, whereas the other profits amounted to only £128,867.

Compared with the previous year, the profits show an increase of £100,464, of which £76,676 was due to an increase in the dividends received. The cash and cash assets at the commencement of the year, after deducting all liabilities, were £524,267; add profit for the year, £1,238,846; forfeited dividends, £271— together, £1,763,385. This sum has been dealt with as follows:—

Net expenditure on investments account, £233,670; dividends, 220 per cent., £1,169,297; balance, cash and cash assets, after deducting all liabilities, £360,418.

Rhodesia's gold output during March was the largest on record, amounting to £273,236 against £257,797 for the corresponding month of last year. The following table gives the returns month by month for several years past :

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . . .	249,032	220,776	214,918	207,903	227,511	204,666
February . . .	259,888	208,744	209,744	203,055	203,888	192,497
March	273,236	257,797	215,102	231,947	228,335	202,157
April	—	241,098	221,476	221,296	228,213	222,700
May	—	242,452	234,407	211,413	224,888	225,032
June	—	241,303	226,867	215,347	214,709	217,600
July	—	249,301	240,514	237,517	195,233	225,234
August	—	250,576	239,077	243,712	191,423	223,296
September . .	—	250,429	230,573	225,777	179,950	213,249
October	—	247,068	230,072	218,862	234,928	222,653
November . . .	—	239,036	225,957	214,040	240,573	236,307
December . . .	—	254,687	218,661	217,026	199,500	233,397
Total	782,156	2,903,267	2,707,363	2,647,895	2,569,201	2,623,738

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	90½	5½
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . . }	£1,931,800	5	100	97	5½
Trans-African 5% Debs. Red.	£1,843,800	5	100	80½	6½ ₁₆
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	8	5	5½	61½ ₈
Natal Bank £10	148,232	8	2½	2½	8
National Bank of S. Africa £10	131,690	6	10	12	5
Standard Bank of S. Africa £20	309,705	14	5	12½	51½ ₆
Ohlsson's Cape Breweries	60,000	8	5	5½	6½ ₄
South African Breweries	965,279	17½	1	1½ ₈	9
British South Africa (Chartered)	8,937,559	nil	1	½ ₈	nil
Do. 5% Debs. Red.	£1,250,000	5	100	101½	47 ₈
Natal Land and Colonization	68,066	7	5	4x	8½
Cape Town & District Gas Light & Coke	10,000	nil	10	3½	—
Kimberley Waterworks £10	45,000	5½	7	7	5½

(x) Ex dividend.

Crown Colony securities have been augmented during the month both by a Government issue and by a municipal issue. The former consisted of £1,000,000 of Ceylon Government 4 per cent. Inscribed Stock offered at 99, the proceeds being required to

meet the cost of the Colombo Harbour and Drainage Works, the Mannar Railway and other railway and public works. The municipal issue was by the City of Singapore, 4 per cent. Stock to the amount of £300,000 being offered at 92.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½ ins. (t)	375,000	1925-42†	88	4 $\frac{3}{8}$	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4 $\frac{3}{8}$	1 Feb.—1 Aug.
Ceylon 4% ins. (t)	1,076,100	1934	101	3 $\frac{1}{8}$	15 Feb.—15 Aug.
Do. 3% ins. (t)	2,850,000	1940	82	4 $\frac{3}{8}$	1 May—1 Nov.
Hong-Kong 3½ ins. (t)	1,485,733	1918-43†	88	4 $\frac{3}{8}$	15 Apr.—15 Oct.
Jamaica 4% ins. (t)	1,099,048	1934	101	3 $\frac{1}{8}$	15 Feb.—15 Aug.
Do. 3½ ins. (t)	1,493,600	1919-49†	89	4 $\frac{3}{8}$	24 Jan.—24 July.
Mauritius 3% guar. } Great Britain (t) }	600,000	1940	92	3 $\frac{1}{2}$	1 Jan.—1 July.
Do. 4% ins. (t)	482,390	1937	99 $\frac{1}{2}$	4 $\frac{1}{8}$	1 Feb.—1 Aug.
Sierra Leone 3½ ins. (t)	729,848	1929-54†	89	4 $\frac{1}{8}$	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	99	4 $\frac{5}{8}$	15 Mar.—15 Sep.
Do. 3% ins. (t)	600,000	1922-44†	78	4 $\frac{3}{8}$	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares }	120,000	Div. £4 $\frac{1}{2}$	£82	5 $\frac{3}{8}$	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t)	£7,044,900	3	99	94	3 $\frac{1}{2}$
" Unified Debt	£55,971,960	4	100	101	3 $\frac{1}{8}$
National Bank of Egypt	300,000	8	10	14 $\frac{1}{2}$	5 $\frac{1}{2}$
Agricultural Bank of Egypt, Ordinary	496,000	6	5	5	6
" " " Preferred	125,000	4	10	7 $\frac{7}{8}$	5 $\frac{1}{8}$
" " " Bonds .	£2,350,000	3 $\frac{1}{2}$	100	80	4 $\frac{3}{8}$

(t) Eligible for Trustee investments.

TRUSTEE.

25th April, 1914.

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No. 161.

PRINCE ALEXANDER OF TECK *APPOINTED GOVERNOR-GENERAL OF CANADA* AN APPRECIATION BY THE EDITOR

PRINCE ALEXANDER, or to give him his full name, Prince Alexander Augustus Frederic William Alfred George of Teck, is the third and youngest son of the late Duke of Teck and the late Princess Mary Adelaide. Born at Kensington Palace on the 14th of April, 1874, the infant Prince was described by a friend of his royal mother as "the finest child you ever saw, finer than either of his brothers, with a quantity of very dark hair, and I fancy a little like the Duke, his father." He was educated at Eton, where he soon became a general favourite, joining in the games and entering with all his heart and soul into the daily routine of schoolboy life.

It was while Prince Alexander was at Eton that I first met him. I remember the occasion well. I was paying my respects to the Princess Mary at White Lodge one Sunday afternoon when the door of the corridor-room opened and Prince "Algy," as he was known in the family circle, entered. "This is my youngest boy," said the Princess turning to me, and her happy face beamed with smiles as she presented me to the fine, handsome youth, even then tall for his age. I was much struck with the ease of manner with which the young prince conversed with me, a stranger. That boy is bound to succeed in life, I said to myself; he looked so jolly, so good-tempered. At the same time there was a dignity and restraint about him which indicated that he had inherited not only his mother's genial temperament and kindly sentiment, but those many royal qualities which made her so

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popular and endeared her to a wide circle of friends in all classes of society.

"The Duchess of Teck often talked to me about her boys," said the Bishop of Peterborough, "sometimes with tears in her eyes, her devotion to them was so great." Again speaking of them to her lifelong friend, the late Mrs. Dalrymple, the Duchess observed with deep earnestness, "I pray they may each of them in turn grow up a credit to us all, and be thorough English boys." It was her great wish her sons should be soldiers, and as one after the other entered the army her motherly heart rejoiced to see that wish fulfilled. Writing to a friend early in 1893, she remarked with some pride, "Our two elder sons have returned to their respective regiments at York and Hounslow and we have now only our Sandhurst cadet at home." At Sandhurst Prince Alexander made many friends, the atmosphere seemed to suit him, and he seemed to suit the atmosphere. Being within easy distance of home he was often able to spend his week-ends at White Lodge, much to the delight of his sister with whom Prince "Algy" was a special favourite. But these happy days for mother and sister were soon to end. Writing towards the close of 1894 to a friend, Princess Mary ended a characteristic letter with these words, "Alas, early in the coming year we have to part with our much-loved youngest son, Alexander, who has to join his regiment, the 7th Hussars, in India. I dread the long separation, for next autumn the 7th are probably to be moved to the Cape, and it may be three years before he returns to England. It is an awful wrench, and I scarcely dare trust myself to think of it."

While in India the Prince had a most enjoyable time. He played a good deal of polo, and lived a regular soldier's life. Shortly afterwards the regiment went to Natal, and there the Prince first saw active service taking part in the Matabele War and being highly commended for his gallantry. It was while writing a letter to her son in Natal that Princess Mary was seized with a fainting fit, the first indication to her family that anything was amiss with her general health. She soon, however, recovered, and after a long rest seemed quite herself again, but in the following April she was again taken ill and an operation considered necessary. Her first appearance downstairs after convalescence was the morning of the day Prince Alexander was expected from South Africa. Established in a chair in the hall she was the first person to greet him on his arrival. Prince Alexander took part in the Jubilee celebrations and remained in England until his mother passed away some few months later.

When the South African war broke out his own regiment remained in this country, but Prince Alexander's soldier-like

spirit could not rest, he volunteered for service and was appointed at once to the Inniskilling Dragoons. As may be expected he proved himself to be a very efficient officer, never sparing himself, always on the alert. To him it was duty first, himself afterwards. As a staff officer he showed powers of resource and gained golden opinions from his chief. He was frequently mentioned in dispatches and received a D.S.O. for his services in the field together with the Queen's medal and five clasps. Later on he was transferred to the Royal Horse Guards, and is now a major in the 2nd Life Guards.

He accompanied the King and Queen when, travelling as the Duke and Duchess of Cornwall, they made a tour of the Empire. During this tour the Prince had ample opportunity of becoming personally acquainted with most of the statesmen in Greater Britain. Not only did he take his part in the social functions, and they were numerous and representative, he was also a student of Empire, gaining an insight into the great problems of Colonial life. Like the Queen, Prince Alexander is fond of reading, and his reading is generally of a kind that instructs. He possesses a trained mind and an inquiring mind. Nothing escapes his notice, and he never leaves a subject till he has mastered it. It is no use saying Yes and No to Prince Alexander, he wants to know the why and the wherefore, and to express an opinion as well as to listen to the opinions of others. The practical experience he gained in the various dominions cannot fail to be of service to him in his new and important position.

Prince Alexander's marriage with Princess Alice of Albany has proved a particularly happy union. Not only is her Royal Highness one of the brightest and most charming of our English princesses, but, like her husband, she is a delightful conversation-alist. Brought up in an English country home, she has lived a free life and gained her popularity by her own unassuming ways and kindly nature. Everywhere she goes she makes friends, and the people in the homeland entertain for her the greatest affection. While devoted to her little son and daughter, she finds time to assist the Prince in his many pursuits, and herself takes a part in philanthropic and social work. Neither Prince nor Princess go to Canada wedded to English ways and customs; rather do they desire to fall in with the ways and customs of the Dominion, to make themselves at home in their new surroundings. A more democratic prince it would be impossible to imagine, or one who more thoroughly understands what is expected from him or has a higher sense of the duties that naturally attach to the high office to which he has been appointed.

In my opinion, and I speak with some knowledge of the wants

and requirements of the great Dominions oversea, no choice could have been more fortunate; no selection more happy. Prince Alexander should make an ideal representative of his Majesty King George, and prove a worthy successor to his Royal Highness the Duke of Connaught. Courteous in manner, dignified in bearing and of statesmanlike instincts, Prince Alexander is just the man to fill the position of Governor-General of Canada. As a soldier he knows the value of discipline, and as an officer, who has seen active service, he has shown himself able to lead and ready to follow. Of commanding presence and great intelligence, he is certain to gain respect and inspire confidence.

For several years past he has taken a prominent place in public and social life, and in every undertaking in which he has been engaged he has left behind him a name for thoroughness of purpose and capacity for work. He does not know the meaning of idleness, and, although devoted to all kinds of sport, is ever ready to take upon his shoulders the duties that naturally fall to the lot of one so nearly related to the Reigning Sovereign. He possesses both energy and tact, and his manly ways and kindly disposition have gained him many friends in every walk of life.

Like Queen Mary, he has associated himself with several philanthropic institutions, and his work at the Middlesex Hospital will long be gratefully remembered. Taking up the task essayed by his brother, the late Prince Francis, he said in the letter he addressed to the Press:—

I am conscious that the example which my brother set of devotion to the cause of succouring the afflicted poor is one which it is difficult to follow, but I am determined, nevertheless, to do my utmost to imitate it, and to carry on the work which was so dear to him. I have accordingly accepted the invitation of the Governors to become their Chairman: I take up my brother's work where he left off, and it is my earnest hope that I may ultimately achieve the object he sought to accomplish.

These words explain better than anything one can say the true inwardness of a nature at once sympathetic and affectionate. They give an insight into the Prince's life and conduct, and set an example which one and all may be proud to follow. In all his varied undertakings Prince Alexander of Teck has shown that he possesses attributes of the highest order, and Canada and Canadians will, I am confident, welcome his appointment as Governor-General of the Dominion with enthusiasm.

THE EDITOR.

ULSTER AND THE EMPIRE

BY F. A. W. GISBORNE

"You are asked to thrust out from the shelter and the justice of the United Parliament the two millions who would remain with us, who cling to us, who passionately resent the attempt to drive them from the protection of the Parliament of their ancestors. I may express the hope that this stupendous injustice and blunder will fail."—*Mr. John Bright, Birmingham, July 1, 1886.*

"The Irish question is vitally important, not to Great Britain only, but to the Colonies. The legislative supremacy of the British Parliament, against the assertion of which the American colonists revolted, and which to-day would be found intolerable in exercise in Canada and Australia, cannot be yielded in the case of an island where independent action might very well be attended with fatal consequences to its partner. The instrument for such action, in the shape of an independent Parliament, could not safely be trusted even to avowed friends."—*Captain Mahan.*

THE above passages embody respectively the opinions of an English statesman and a distinguished American naval strategist concerning the projected establishment of a separate, and practically independent, Irish Parliament. The one deals with the question from the moral side, and appeals to the sentiment of justice; the other treats it from the point of view of national safety. Taken together they re-affirm the truth of the old maxim which compresses in three pregnant words the whole art of government—*justitia fundamentum regni.*

In spite of all the maxims of cynical philosophy morality and sound policy always go hand in hand. The reasons given by Captain Mahan in the passage, from which two only of the concluding sentences have been borrowed, to support his contention that an independent Ireland, lying athwart the great trade routes that stretch across the Atlantic from English ports and provided with numerous safe harbours admirably adapted to serve as bases for attack and havens of refuge for an enemy's fleet, would be a perpetual menace to Great Britain, are of overwhelming cogency. In time of war a hostile Ireland, as the famous authority well puts it, would "manacle" Great Britain. Threatening thus the very heart of the Empire, it would constitute a terrible danger to every member of the Imperial organism. While hostilities continued it would compel, for purposes of self-defence, the concentration in home waters of

those battleships and cruisers which would be needed to patrol the seas and protect the shores of defenceless territories abroad. The questions, then, of the future Government of Ireland, and the fate of Ulster, vitally affect the destinies of Canada, South Africa and Australia, as well as those of the Mother Country. The turgid drama now being played on the Parliamentary stage at Westminster is, therefore, watched with painful and absorbing interest by many distant eyes.

This latter fact is fully recognised by the leaders of the Separatist movement, and they are striving by every device suggested by a highly developed talent for misrepresentation to influence Colonial opinion in favour of their designs. False history, false analogies, false professions and false promises are all being employed in the same direction. The latest effort to discredit the cause of Unionism, and to deceive the thousands born and bred outside Great Britain, who naturally are but imperfectly acquainted with the issues involved in the Irish question, and the character, both personal and political, of the chief advocates of disruption, deserves particular notice.

A "message" from Mr. John Redmond has just been received by the proprietors of the leading newspapers in the Commonwealth of Australia for publication. This statesman-like deliverance, as a study in arts extremely useful to the popular politician, is worth quoting in full. It runs as follows:—

The Ulster-Orange plot has now been completely revealed. Sir Edward Carson has an army, but they have not, nor *never* had, the slightest intention of fighting. As a fighting force against the regulars they could not hold out for a week. The plan was to put up an appearance of fight, and then by Society influences to seduce the army from the people's will. The action of the commanders in some of the crack cavalry regiments, officered by aristocrats, has now fully disclosed their plan of campaign. The issue raised is wider than even Home Rule, and it is whether a democratic Government is to be brow-beaten and dictated to by people in the drawing-rooms in London, and a section of officers who are aristocrats and violent Tory partisans. The cause of Irish freedom has in this fight become the cause of popular freedom, order and liberty throughout the world. It is impossible to doubt the result of such a fight. The second reading of the Home Rule Bill will be taken on Monday, and the Bill will be proceeded with until it finds a place on the Statute Book.

Certain evidence of a grammatical kind contained in this remarkable manifesto would suggest that its author had some acquaintance with a familiar passage placed by Shakespeare in the mouth of the nephew of another potentate, not of Irish nationality, but bearing Mr. Redmond's Christian name. A study of that passage might respectfully be commended to certain temporising British politicians to-day. King John the First, we read in history, treated highly respectable Irish chiefs with rather rude familiarity. King John the Second now seems inclined to

retaliate in somewhat similar fashion, English political chiefs being his victims. The message, setting aside the humorous element, possesses a combined flavour of Napoleon and Robespierre.

Its author dons alternately the cocked hat and the red cap. The prevailing dictatorial tone is noticeable; and the references to "fights" and "aristocrats," are such as might have been heard daily in the French revolutionary legislature towards the close of the 18th century. Perhaps the pensioner of the Clan-na-gael Brotherhood, and the protégé of the Ancient Order of Hibernians, was a little indiscreet in his allusion to "Society" influences; but no doubt he had a firm and well-founded faith in popular ignorance. The "Democratic Government" of Great Britain, however, will be comforted to know that it enjoys the protection of the Irish dictator. It is not to be "brow-beaten and dictated to" by leaders of Society and military aristocrats—it is only to enjoy such treatment at the fair hands of Mr. Redmond and Mrs. Pankhurst. In obedience to orders received from the champions of "Irish freedom" it is straightway to bring in and pass the measure whose title a candid critic might perhaps be inclined to paraphrase as a "Bill to enable certain Irish politicians to obtain desirable offices, and certain English politicians to retain them." Evidently Mr. Redmond is becoming weary of the rôle of Mayor of the Palace, and thinks the time has come for the last of the Merovingians to retire to a monastery.

Arrogant and grotesquely mendacious as the "message" is, it must be admitted, nevertheless, that the author showed in its composition much of the proverbial craft of the politician. "Democratic Governments" naturally claim the sympathies of similar bodies elsewhere. The "fight for popular freedom and liberty," oddly—and quite accidentally—associated in this case with agrarian outrage, moonlighting, murder and boycotting, necessarily attracts the martial sympathies of those evangelists who preach in similar style the gospel of freedom on the banks of the Yarra; and sometimes, without willingness, undergo the baptism of total submersion. "Aristocrats," especially when wealthy, are hated by those "gentlemen of the pavement" of whom Bismarck used to speak with so deplorable a lack of respect. The blast from Mr. John Redmond's brazen trumpet has accordingly been answered by an equally loud blast from a similar instrument in the hands of the present leader of the political orchestra in New South Wales.

Mr. Holman, the Labour Premier of that State, assures a listening world that "Australia" approves of the coercion of Ulster, and the emancipation of the oppressed Irish. Mr. Holman is as Napoleonic in his modesty as Mr. Redmond himself. It is quite enough for trade union politicians in the Commonwealth to

know that the Labour party in the British House of Commons forms one partner—possibly, however, with some reluctance—in the triple alliance that now threatens the United Kingdom with disintegration. If Mr. Ramsay Macdonald, or Mr. Keir Hardie, were to advocate, like the late Mr. Patrick Ford, the employment of “skirmishers” to kindle wholesale conflagrations in the cities of Great Britain, warm approval of such a design would probably be expressed by some of the members of certain “Democratic Governments” in Australia. It is all part of the game, and nothing really serious is meant. Labour politicians in the Commonwealth, most certainly, are not men of the type of the McNamara brothers; they deal only in verbal explosives, and of these they always have in hand a large and varied assortment. They are part of the ordinary stock in trade of the popular electioneer.

The average Englishman living at home need not, therefore, take Mr. Holman’s response, or other similar fiery utterances, too seriously. He must bear in mind that, apart from the informal alliance which binds together the British and Colonial Labour parties—a league implying in the present crisis the official support of Home Rule by the latter—a strong feeling of personal sympathy must necessarily exist between a class of men in Australia who live entirely by politics and a similar class in Ireland. The gentlemen engaged as patriots by the late Mr. Parnell at the moderate stipend of £200 a year apiece are the political bed-fellows of those who are paid on a more liberal scale in Australia to support the cause of trade-unionism. Every movement, it is needless to add, that tends to promote the personal interests of professional politicians in one country is democratic, and therefore sacrosanct, in every other. Opposition to any such movement can only come from aristocrats, and political sons of Belial.

No one, of course, whether politician, preacher, or publicist is entitled to speak authoritatively for Australia on the question of Irish Home Rule. It is not, perhaps, incorrect to say that, outside the highly-educated class and two opposing, but small, groups of extremists, the people of the Commonwealth hold no strongly defined opinions in regard to what is rightly considered the supreme question of the hour in Great Britain. Matters such as wages, crops, seasons, markets, horse-racing, football, and cricket, arouse more interest among the various classes of the Australian community than the subject of the great controversy in which Mr. Redmond and Sir Edward Carson now play the leading parts. Let England and Ireland, the average Australian thinks, settle their domestic differences themselves, just as the various Australian States have to settle theirs. Probably few English or Scotch artisans feel very strongly on the question, say,

Victorian Home Rule; or care greatly whether a State or a Federal Judge shall dictate wages and conditions of labour in Melbourne. To the ordinary Australian employer or working man, however, this question appears as one of greater importance than that as to whether Belfast shall be governed from Dublin or London.

Nevertheless, while, outwardly at least, indifference characterises the mental attitude of the great majority of Australian citizens toward the question of Irish autonomy, it must not be supposed that such an attitude will be maintained in all circumstances. There are certain explosives whose destructive powers are only liberated by a sudden and violent concussion. They resist alike the action of heat and cold. Similar potentialities of passion lie latent among the British populations outside the United Kingdom. The first cannon discharged in Ulster would be the detonator whose explosion would unloose pent-up political, racial and religious passions now, happily, lying dormant in lands where prosperity, mutual tolerance, and complete civil and religious liberty have hitherto prevailed. At that direful signal, should it be given, multitudes who had never trod the soil of the United Kingdom would range themselves in opposite camps, and the flame kindled in one small corner of the British Empire might even envelop the whole. These considerations, as well as others of equal gravity, should be carefully weighed by his Majesty's Ministers, and the majority in the House of Commons, before they attempt to exercise force for the coercion of men who claim only the rights of Imperial citizenship.

The late Professor Goldwin Smith, in a letter written soon after the "conversion" of Mr. Gladstone to Home Rule (a change of opinion resulting from the refusal of the British electorate in 1886 to bestow on him the majority large enough to render him independent of the Irish vote, for which he had appealed), expressed feelings which every Briton whose mind has not been poisoned by partisanship must share. "We shall bow our heads," he wrote, "in shame unutterable, and be unable again to look a foreigner in the face, if Mr. Gladstone, or any one else, succeed in persuading the nation to commit so foul, so dastardly, and at the same time so suicidal a crime as the abandonment of the Loyalists of Ireland." Undoubtedly those burning words express also the inner convictions of the great majority of intelligent Australians and Canadians to-day. They honour those officers who like, among others, the son of the famous Chatham on the outbreak of the War of American Independence, but with far stronger justification, refuse to draw the sword in an iniquitous cause.

No detailed examination of the whole Irish question from a
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colonial point of view can, of course, be attempted. But, to the outside observer, the whole Separatist movement bears an appearance of unreality. Two questions naturally suggest themselves to his mind:—firstly, What well-founded grievances have the advocates of disunion to urge in support of their claims? Secondly, is there a really strong and representative public opinion behind them? Concerning the second of these questions the views expressed by an authority of recognised standing, Dr. Mahaffy, in an article entitled “Who wants Home Rule?” contributed to *Blackwood's Magazine* some months ago, are illuminating. Enthusiasm for the Nationalist cause, this notable critic affirmed, was to be found only among professional politicians, the populace of the large Irish towns (with the important exception of Belfast), the poorer peasantry, and a handful of educated and thoroughly sincere visionaries. In opposition, either open or secret, to these stood the professional and commercial classes, the mass of the higher clergy, and the farmers and landowners. It is notorious that of late years, thanks mainly to the Wyndham Land Purchase Act of 1903 and the beneficent activities of the Irish Board of Agriculture, the farmers of Ireland have become distinctly unresponsive, if not hostile, to the Nationalist propaganda, and content with the existing political conditions. In brief, wealth, culture, and industry oppose Home Rule; while political ambition, ignorance, race rancour, greed and Utopian zeal support it.

When we turn to the question of legitimate grievances, Mr. Gladstone himself may be called on to testify. “What,” asked the later champion of Home Rule at Aberdeen in 1871, “are the inequalities of England and Ireland? I declare that I know none, except that there are certain taxes still remaining which are levied over Englishmen and Scotchmen, and which are not levied over Irishmen, and likewise that there are certain purposes for which public money is freely and largely given in Ireland, and for which it is not given in England or Scotland. That seems to me a very feeble case indeed, for the argument which has been used by means of which, as we are told, the fabric of the United Parliament of this country is to be broken.”

Since those words of truth and reason were uttered additional legislative benefits have been showered on the people of Ireland. To enable the Irish tenant farmer to become the owner of the soil he tills British credit has been pledged to the extent of over £100,000,000. County Councils have been established in order to abolish the evils of too centralised administration, and to satisfy the reasonable demand for local control of local expenditure. Lavish assistance in the way of light railways, harbour works, land for the surplus inhabitants of congested districts, and

old age pensions has been bestowed on these alleged victims of oppression at the expense of the English and Scotch tax-payer. Parliamentary representation in a degree far in excess of that to which Ireland, outside Ulster, is entitled either on the basis of population, wealth, education or proportionate contribution to the Imperial revenue has also been conceded. One seeks for affronts and injuries, and can find only favours and benefactions. If it be affirmed that liberty of speech or action in Ireland has been unduly restricted by the British Government, a perusal of the speeches of Mr. Redmond and his friends delivered both in America and the United Kingdom furnishes a sufficient answer. In no other civilised country in the world would utterances so openly and flagrantly seditious as those referred to have been tolerated. Briefly summed up, the Irish Nationalist movement seems to be the revolt of the spoilt child. Over-indulgence has produced, as it nearly always does produce, the same results as over-severity. For these the Unionists must bear their fair share of responsibility. They, in fact, claimed credit for introducing the policy of "killing with kindness" the Home Rule movement. The fruits of that policy have not been exactly wholesome.

A word on the personal factor, which is of no small importance. In the passage prefixed to this article Captain Mahan expressed an emphatic opinion that an independent Parliament in Ireland would be an instrument that "could not safely be trusted to avowed friends." Fatuous indeed then would be the folly of those who trusted it to avowed enemies. Who but a mere simpleton would place a deadly weapon in the hands of a mortal foe? Let Mr. John Redmond speak for himself. Less than seven years ago he sent another "message," to England on that occasion, not Australia, couched in these terms: "We tell her that we Wexford men hate her rule just as bitterly as our forefathers did when they shed their blood on this spot. We tell her that we are as much rebels to her rule to-day as our forefathers were in '98." At New York a few years before he expressed the resolution of his party to take what they could get from England, and use the powers bestowed so as ultimately to "destroy the last link" binding Ireland to England. Similar expressions by the score have been uttered by Mr. Redmond's principal supporters. All express a similar determination, to borrow Mr. Redmond's words again, "to drive English rule, sooner or later, bag and baggage, from our country." Mr. W. K. Redmond, in a burst of candour, once informed us as to the nature of the final object aimed at. According to this loyal subject of the British Crown, one, too, who had taken the Parliamentary oath of allegiance, the Irish people "did not desire to have anything more to do with kings and

queens, for the only style of government to which Irishmen could look for freedom and prosperity was one which should be democratic and republican." The practitioners of, or apologists for, the arts of boycotting and cowardly terrorism are, no doubt in their own estimation, competent judges as to what constitutes "freedom and prosperity." But to the impartial mind those British statesmen who would deliberately place in the hands of men who have over and over again expressed in the plainest possible terms their unquenchable hatred of the British Empire, who cheered in the House of Commons itself the announcement of the news of the disaster at Colenso, where so many of their worthier countrymen suffered, and who by a hundred furtive and ignoble expedients have striven consistently to injure the interests and prestige of Great Britain, a weapon that might conceivably be used to inflict a mortal wound on the British Empire, are either the victims of a most extraordinary form of infatuation, or false to their trust and faithless servants of their country.

"The sea forbids union, and the ocean separation." Perhaps Grattan's famous paradox may yet supply the required solution to a perplexing and dangerous problem. The trend of political thought among moderate men of all parties in Great Britain appears now to be in the direction of federalism. The United Kingdom, to hazard another paradox, is to be divided in order to be united. Local legislatures in Celtic Ireland, Ulster, England, Scotland, and perhaps Wales, are to relieve the Imperial Parliament of the intolerable burden of petty functions that now oppresses it, and restore it to the dignified position it enjoyed a century ago. Theoretically, the scheme seems plausible; but whether its practical consummation would be attended by the satisfactory results foretold by certain optimists must be placed in the region of conjecture. Federations, the historical student knows, have seldom proved permanently successful. Those that from time to time existed in ancient Greece all failed disastrously in the end. Weakness is the inherent vice of all associations of provinces and States, where the central authority is not endowed with absolute controlling power. We know how enormously the lack of cohesion among the provinces of the Netherlands at the time of the great struggle against Spanish tyranny aggravated the difficulty of the task finally carried out with only incomplete success by the founder of the Dutch Republic. In time of grave danger the United Kingdom, under a federal system, might fare even worse than did the United Provinces. The great American federation has already on two occasions narrowly escaped dissolution; and it has yet to stand the crucial test of war against a powerful foreign enemy. Home rule all round, then, seems rather a risky palliative than a cure, when we consider the peculiar and

formidable perils that threaten the security of the British Empire. A divided family means an endangered home.

An alternative course might humbly be suggested. Captain Mahan truly declared that the Irish Question is not merely a domestic, but an Imperial question. It affects the interests and safety of millions of citizens of the Empire outside Great Britain and Ireland. Might it not, then, be submitted to an Imperial Council representative of all the self-governing parts of the Empire for final decision? The statesmen of Canada and South Africa, in particular, have had problems to solve analogous to that which now causes such serious anxiety in the Mother Country. Being not directly concerned in the controversy that has so long raged there, the representatives of Greater Britain could not be suspected of partisanship by either Nationalist or Orangeman, Liberal or Unionist. Just as in the past, the Home Government has, when appealed to from time to time, succeeded by tactful interposition in restoring harmony between rival colonial parties or legislative bodies, so perhaps now similar good offices, if invoked, might be returned by the statesmen of the oversea Dominions. Then the solution decided upon would be, in the full sense, an Imperial solution and one that would hold out prospects of finality and enduring peace.

Let us hope, at all events, that the ultimate decision, however formed, may be the decision, not of the composite party whose ignoble intrigues with various political groups and yet more ignoble attack on the British Constitution have aroused passions and created dangers which would never have threatened the tranquillity of the United Kingdom had counsels of prudence and justice throughout prevailed, but that of the whole nation. And a humble wish may also be expressed that the real desires of the whole Irish people may be ascertained and considered, and not merely those of their nominal representatives. To the outside critic, at least, there seems good reason to support the view that much of the present trouble has arisen through the too hasty recognition of the claim of the self-styled Nationalists in Parliament to express the real sentiments of Ireland. Both the reason and the moral sense of a large and influential section of the Roman Catholic, as well as virtually the whole of the Protestant, population of the three reputed malcontent provinces repudiate that claim; and a referendum on the general question of Home Rule taken under fair conditions throughout the whole of Ireland might strengthen the hands of the defenders of the Union, and discredit its foes. The referendum is an instrument whose use in certain cases might prove far more harmful than beneficial; but undoubtedly it has on two occasions already saved the people of Australia from the politicians. Twice in the brief

history of the Commonwealth it has frustrated the design of a majority in the Federal Parliament to establish a centralised and tyrannical bureaucracy, and to bring the existing State legislative assemblies into complete subjection to the Federal Government. Consistency is not the distinctive virtue of politicians, but it is odd to see prominent members of a certain party in Australia supporting in the case of Ireland principles which they denounce with unmeasured vehemence at home.

Viewed solely as a policy without regard to any moral considerations, the proposed establishment of an Irish Parliament receives little support either from reason or the lessons of history. But, as Mr. Bright urged so eloquently, the scheme itself is an offence to common justice and morality. The modern Home Rule movement, as initiated by Mr. Parnell, was born in sin and nurtured in violence and crime. At an earlier period, indeed, honourable methods to effect the legislative divorce of Ireland from England were employed by honourable men. Mr. Butt and his friends, however, were succeeded by Mr. Parnell and his coadjutors, who, with a few marked exceptions, were men of a distinctly lower type. The argument of outrage succeeded the argument of reason. The Girondins were followed by the men of the Mountain. The intimate association between Irish politicians and American instigators of crime was conclusively established by the finding of the three judges who formed the Parnell Commission in 1890; and the evil work has continued since.

To sacrifice to the scarcely veiled hatred of men morally responsible for a thousand offences against personal liberty and common justice and humanity the loyal and peaceful inhabitants of Ulster would be an eternal disgrace to the British name. Those guilty of such a deed would forfeit for ever the respect of their brethren abroad, and that of the whole civilised world, and, in the end, they or their descendants would find that neither Governments nor servile majorities can break with impunity that moral law to which the great English orator appealed, a law which, superior to mere passing considerations of policy or expediency, really governs the lives of nations, and that, with peoples as with individuals, whatever is sown in wrong must ultimately be reaped in retribution.

F. A. W. GISBORNE.

April 13, 1914.

FOREIGN AFFAIRS AND BRITISH RELATIONS

BY DIPLOMATIST

THE OUTLOOK IN ALBANIA

A MONTH of comparative stillness in international affairs has come and gone, and the world's political horizon, if not cloudless, augurs fair weather for the immediate future. Unfortunately the trouble in Mexico continues, and the unexpected turn of events in Albania is hardly encouraging to the Powers which brought the young Principality into being.

Conflicting reports of the position at Durazzo continue to reach this country from Italian and Austro-Hungarian quarters, and not a little anxiety prevails as to whether the deportation of Essad Pasha really means an early restoration of the *status quo*. Certainly if a religious struggle has broken out and the Moslems are in open revolt, things will take some time to settle down. Summarising the views of the local press, the Vienna correspondent of the *Morning Post* says:—

The semi-official journals here, apparently obeying a hint from above, are inclined to minimise the importance of events at Durazzo. The *Albanische Korrespondenz* even suggests that Prince William never fled at all, but only accompanied his wife and children to the Italian ship and then returned immediately. The independent Austrian newspapers consider that the Prince has seriously compromised his position by losing his head. The *Neue Freie Presse* and other organs insinuate that the Italian Minister at Durazzo deliberately instigated the panic in the palace and advised Prince William to fly on board the Italian ship in order to make him impossible. The same journal declares that the divergence between Austrian and Italian views makes a military expedition into Albania out of the question.

Nevertheless, in spite of adverse criticism, it must not be forgotten that the Near East is the home of intrigue, and I should not be at all surprised to find the very people who now condemn the policy and action of Prince William among the first to praise him when the present crisis is over. I am not a believer in panic, and, after all is said and done, no one can deny that the businesslike way in which the rebellion in its early stages was quelled produced a favourable impression, while the terms of the settlement with Epirus, amounting as they do to Home

Rule within Home Rule, offer further possibility of a peaceful settlement.

Count Forgach, Under-Secretary at the Austro-Hungarian Foreign Office, speaking as representative of Count Berchtold in the Hungarian Delegation, seems to have wished to leave the impression that the Austro-Hungarian Minister at Durazzo was in no way responsible for the hurried departure of the Prince. The participation of Austrian officers in the skirmish at Durazzo on the night of Essad's arrest is explained by the fact that they were present in the town to test cannon which had come from Austria. They could not stand by inactive, but their participation in the affair was due to chance and not to a prearranged plan. Austria-Hungary and Italy, added the Under-Secretary, were agreed to abstain as far as practicable from interference or intervention. On the same day that Count Forgach was making this pronouncement, the Marquis di San Giuliano was giving his view of the course of events in the Italian Chamber, and I am indebted to the Rome correspondent of the *Times* for the following summary of the speech :—

Without making any direct comment, he left it to be understood that the Dutch officer of gendarmes, Major Schleuss, had been precipitate in his action, and that a grave error had afterwards been committed in sending the Catholic Malissori against the insurgents, thus provoking the outbreak of a religious feud. For the rest, he deprecated the suspicions of instigation on the part of Austrian sympathisers and warned Italian sympathisers, on the other hand, of the danger of engendering feelings of rivalry between the two countries, who were only concerned to promote the common good of Albania.

He assured his hearers that Count Berchtold and he himself remained in entire agreement and mutual confidence. They were determined to do their utmost to avert the necessity of military intervention, to secure the restoration of peace with the maintenance of Prince William on his throne, and to carry out the agreement of Europe for Albania. Meanwhile, they were asking other Powers to authorise the dispatch of a detachment from the international garrison at Skutari for the preservation of order.

ROYAL VISITS

Following on the visit of the King and Queen to Paris, their Majesties have entertained the King and Queen of Denmark, who gained golden opinions during their stay amongst us from all classes of the British community. No heartier welcome was ever extended to any royal guests than that extended to King Christian and Queen Alexandrina, and deeply touched were their Majesties with the warmth of their reception and the unmistakable cordiality which greeted them whenever they appeared in public. The connecting link with Queen Alexandra, as well as the cousinship of King George and King Christian, was never lost sight of by the populace, who seemed to regard the royal visitors as peculiarly their own, and seized every opportunity of showing how much the connection between the two families is valued and esteemed.

Visits such as these do much good, and if one be permitted to suggest it is that the German Emperor may be prevailed on speedily to resume his visits to Cowes during the regatta week. His Majesty's absence of late years has been much regretted by yachtsmen, who recognise in the Emperor William one of the best and keenest of sportsmen and the kindest of men. Moreover, the moment for the suggestion seems opportune, seeing that the British fleet is about to visit Kiel, when it goes without saying officers and men will be received with that generous hospitality for which Germany and Germans are famous all the world over.

Not since 1905 has a visit of this kind taken place. Into the why and wherefore of so long an interval it is not necessary to enter. It is the fact that matters. For it shows that once more we are on the old footing with our kinsfolk across the Channel, that on both sides the fiat has gone forth to let bygones be bygones. The jealousies that divided us have disappeared and the two fleets, in the construction of which so many suspicions have arisen, are at last to meet, the one as the guest of the other. A policy of pin-pricks has given place to a policy of common-sense, and a feeling of comradeship has grown up between the two peoples on which the coming visit to Kiel is to set the seal.

ANGLO-GERMAN RELATIONS

Although from time to time one has recorded the outward and visible signs of a *rapprochement* between Germany and ourselves, it must not be supposed that progression has been easy. Other Powers may have looked on sympathetically, but their sympathy has not always proved as warm as one could wish. Varying interests have stood in the way, and these interests have not always been on the side of closer relations between Great Britain and Germany. But in spite of all opposition, in face of ups and downs, the pursuit of one and the same policy has met with its reward—the rift that so long existed is closed, rough water has become smooth, and after a struggle with conflicting elements and divided counsels, the two Powers have put behind them all that makes for difficulty and unrest. They are now marching together along the lines of progress and peace, essentials of true prosperity and happiness not only for men but for nations.

Meanwhile it is satisfactory to note that negotiations for the arrangement of matters, political and economic, outstanding between ourselves and Germany are rapidly drawing to a close. The necessary diplomatic documents are complete and only await signature. Moreover, the proceedings throughout have been all that could be desired. To quote the words of the German Foreign Secretary, everything is being conducted on both sides

“in the most friendly spirit, a spirit which in other matters also prevails in Germany’s relations with Great Britain.”

This quotation is taken from the speech in which Herr von Jagow opened the debate in the Reichstag on the Foreign Office Estimates, a task which should have fallen to the Imperial Chancellor, Herr von Bethmann Hollweg. But much to the regret of a wide circle of friends, both in this country and in Germany, the Imperial Chancellor has recently suffered a severe loss in the death of his wife, a lady highly esteemed alike by the royal family of Germany and by their Majesties King George and Queen Mary. Herr von Jagow did not dwell at any length on Anglo-German relations for the simple reason he had nothing new to say. Nor does he appear to have gone into detail regarding the diplomatic arrangements in progress between France and Germany; he did, however, inform the Deputies that these negotiations were mainly financial and technical, and were intended to lead up to “an understanding which removed possibilities of friction.” It may therefore be assumed that when the German Government have concluded their arrangement with France, the two nations will have advanced a step further towards securing the peace of Europe. It was these possibilities of friction that not long ago caused such deep anxiety to the British Government.

Like ourselves, Germany welcomes the action of the United States in accepting mediation in the matter of Mexico. If anything the commercial interests of Germany in South America are greater than our own, and it may be taken for granted that the German Government intend to obtain compensation for any losses accruing to German subjects in Mexico owing to the lawless condition of that State. Herr von Jagow also referred to claims for compensation for losses during the Boer War, a matter which Sir Edward Grey informed the House of Commons the other day had not escaped his attention. References were also made to the situation in the Near East, and the German Foreign Secretary seemed hopeful of the gradual consolidation of the Albanian State. Dealing with the Ambassadors’ Conference and the peace of Bukarest, he expressed the desire that no party concerned would place difficulties in the way of an application of the decisions. Germany, he said, would, as far as possible, co-operate in promoting peaceful relations amongst the Balkan States.

GERMAN NAVY LEAGUE

In view of the forthcoming Naval Debate in the House of Commons the presidential address of Grand Admiral von Koester at the annual meeting of the German Navy League is worthy of attention. Although, as the admiral observed, there

were some good reasons for marking time this year, the Navy Law must be carried out in the letter and the spirit by 1920. In particular he advocated that the deficiencies of *personnel* should be made good. "They must," he said, "return to the original idea of the Navy Law that the reserve formations should always be ready and manned with crews at one-half, and not as at present one-quarter, of war strength; and they must cling to capital ship construction at the rate of three ships a year. The period of construction of ships ought to be reduced by six months in order especially to attract foreign orders. For Germany, with her seafaring population, the increase of *personnel* was only a question of money. For the present they could watch French and Russian naval progress without alarm, but that would not always be the case."

A capital ship construction at the rate of three ships a year is rather a tall order, and is not likely to be sanctioned by the German Government. Moreover, such a programme would necessitate a corresponding increase on our side and so cause unnecessary expense to both nations. On the question of *personnel*, the additions proposed deserve notice, seeing that the same question is now arresting the attention of the First Lord. It will be remembered that it was by way of answer to Germany that Mr. Churchill made the additions to the *personnel* of the British fleet, and if Admiral von Koester's views were accepted there would have to be a further addition to the number of officers and men in the British fleet. But in one respect at least the German admiral is right. It is no use having a fleet unless you can use it the moment it is required. At present this is not possible with the British Fleet, and cannot be unless and until we abandon the policy of nucleus crews and put more ships in commission.

RUSSIA AND GERMANY

On the relations of Russia and Germany Herr von Jagow had more to say. He devoted some time to the subject mentioned in my article last month, namely, the attitude adopted by the Russian and German Press, and closed his observations on this head by repeating what the Imperial Chancellor said a year ago. "We know of no real antagonisms which would impede a peaceful neighbourliness between the two Empires Russia and Germany. The politico-commercial difficulties which might arise in the near future can, with good-will, be composed." No one would say that the geographical position of Germany is altogether a happy one, and a good deal of sympathy will be felt for a nation which, as Herr von Jagow reminds us, is working with all her strength at the two great tasks of assuring the safety of that position and "the development of her economic and intellectual forces in the world."

The German Foreign Secretary's speech has been followed by a statement on Russian foreign policy from M. Sazonoff, in which that minister pointed out that his country continued to seek the maintenance of the old friendly relations with Germany. At the same time he did not attempt to hide the fact that on several occasions those relations had been clouded, and, like the German Foreign Secretary, commented on the unwisdom displayed by the hostile press campaign which had been carried on in both countries. "It was unwise," he said, "to alarm the people without proper cause, and sometimes dangerous. It was, therefore, desirable for the German as well as the Russian Press to discuss questions affecting the two countries in a calmer spirit." And in this connection he drew the attention of his hearers to the fact that Russia was about to conclude a new commercial treaty with Germany, pointing out that negotiations of that kind required an atmosphere of cool and calm, not one of irritation suspicion.

There is no doubt that the desire of the Press to play a leading part behind the scenes in the foreign policy of nations is growing day by day. Indeed, so far has the wish proceeded that it would almost seem that the ambassador's office had been reduced to a sinecure. For it must not be supposed that the Russian and the German Press are alone in the matter. Our own Press is very much in the same position. In fact, but for the attitude taken by a section of the Press in this country, the Anglo-German controversy could never have reached the position it did. I do not say relations would not have been strained, but there certainly would not have been that acute stage, difficulties would have disappeared as they arose, instead of being constantly kept in the public mind to justify a campaign of pin-pricking. Again, no one objects to quotations from responsible organs, showing as they do the trend of public opinion, but a reproduction of comments made by papers of no importance and often run in the interest of individual groups is much to be regretted. By this means false impressions are formed and much harm is done.

TURKEY AND THE BALKANS

Passing to the situation in the Balkans, M. Sazonoff declared Russia's task to be one of pacification. "Russia would impartially assist all the Balkan States, asking in return only mutual sincerity and mutual confidence. The motto of the 'Balkans for the Balkan States' had Russia's hearty concurrence, but the States themselves must realise that the conquering of new territories was insufficient, and that their first mission was to win the love and respect of their new subjects. The recent visit of Prince Carol of Rumania had afforded the Rumanians an opportunity of realising the sincere friendship of Russia with their country and Sovereign.

He could announce that the Emperor would shortly visit Rumania. While responding to the mutual sentiments of the monarchs, the visit would contribute in bringing together the peoples.

“Russia’s relations with Turkey had improved since the Balkan crises, and Russia was disposed to assist Turkey in the internal reform of her Asiatic possessions. Only the peaceful development of Turkey would assure the freedom of navigation of the Straits. The conciliatory spirit of the Turkish Government was shown by its attitude towards Armenian reforms. In this matter Germany had co-operated with Russia. M. Sazonoff’s conversations with the members of the special Turkish Mission at Livadia led him to believe that Turkey was sincerely desirous of relations corresponding to the interests of both countries and the new political conditions.”*

Referring in the speech above named to the question of the restitution of the Dodekanesos islands to Turkey, the Italian Minister for Foreign Affairs, after paying a well-deserved compliment to the frankness and loyalty of British policy as conducted by Sir Edward Grey, said that “the views of the British Government were in no way inconsistent with the desires of Italy, who only waited for her interests in Asia Minor to be placed on a regular and assured footing in order to complete her obligations under the Treaty of Lausanne. The Italian syndicate and the British Smyrna-Aidin Railway Company, he added, had come to a private agreement permitting the construction of a railway by the former from Adalia. It only needed the ratification of the terms by the respective Governments for the Italian enterprise at once to take its proper place in the commerce with Asiatic Turkey.”†

CHINA AND RUSSIA

Not the least interesting matter contained in the Russian Minister’s speech was the allusions to China and the affairs of Mongolia. *Reuter’s* agency telegraphed over a very useful summary of M. Sazonoff’s remarks in this connection, and I take leave to reproduce them here :—

The affairs of China still remained the central point of Russian politics in the Far East. The setting up in Peking of a Government recognised by the Powers and capable of assuming responsibility for the general policy of the State had been favourable to Russo-Chinese relations, and had given the means to regulate the various questions raised during the Chinese revolution, and especially the Mongolian question. Having considerable interests in Outer Mongolia, Russia had not been able to allow the rights of her subjects there to be impaired. In order to meet this difficulty she had concluded with the Government of the Khutuktu the treaty of October 3, 1912, by which the rights which Russian subjects and merchants enjoyed in Mongolia by virtue of treaties concluded with China were more clearly and more adequately set forth.

* *Times* Correspondent, St. Petersburg, May 24.

† *Times* Correspondent, Rome, May 26.

On her part Russia guaranteed Mongolia exactly the same rights and privileges, and in order to maintain them she had already made representations to the Chinese Government before the events of December 1911. At the same time Russia reserved to herself the right to decide upon the parts of Mongolia which were to be included in the treaty of October 3, 1912, basing herself on documents published by the Ministry on negotiations entered upon subsequently with the Chinese Government. These negotiations ended in the declaration of October 5, 1913, in which China recognised the autonomy of Mongolia. M. Sazonoff specified the limits of autonomous Mongolia as Russia recognised them.

Despite the repeated warnings of the Russian Government, he said, the Cabinet at Urga, rating too highly its military power and its political importance, believed it possible to attain by force of arms the unification of all the Mongolian tribes under the sceptre of the Khutuktu. It thought of concluding an agreement with the Powers, which in return for commercial advantages would lend it their support against China. It went without saying that the Russian Government was not able to encourage chimerical illusions. An autonomous Mongolia, in order to become a real State, had need, above all, to organise its administration of its finances. It was solely this tendency to organise that Russia was able to encourage.

ENTENTES AND ALLIANCES

But the portion of M. Sazonoff's statement that will interest British readers most is that relating to the *entente*. "The foreign policy of Russia," said the Russian Minister, "continues to be based on the unshakable alliance with France and friendship with Great Britain. The close bonds of reciprocal friendship between France and Great Britain on the one hand and Great Britain and Russia on the other have permitted of the widening of the basis of contact and the participation of Great Britain in these deliberations, which has undoubtedly rendered a real service to the cause of peace at a serious moment. This reason has determined Russia and France to instruct their representatives in London to discuss in conjunction with the British Secretary for Foreign Affairs a series of questions relating to the final settlement of the recent complications."

In this connection the Russian minister continued: "Much has been said lately regarding the conversion of the *entente* into a Triple Alliance. It seems to me a somewhat exaggerated importance is here attributed to a mere matter of form. There may be a formal alliance not based upon real community of interests and not supported by the reciprocal sentiment of the peoples. On the other hand, there may be political combinations of Powers imposed by unity of aims. In the latter case friendly co-operation is assured irrespective of the form and the scope of the written word. The important thing is that we should not stand still. In this respect our alliance with France and our friendship with Great Britain are fully satisfactory since both continue to strengthen and develop."*

* *Times* Correspondent, St. Petersburg, May 24.

These observations confirm all I have said in these pages on previous occasions as to *ententes* and alliances. This country does not want alliances, they do not suit our policy. Great Britain's object is to be on the best of terms with all nations. With the object of balancing power in Europe we have entered into an *entente* with France and with Russia. For my own part I can never see why we should not enter into a similar arrangement with the nations forming the Triple Alliance; were this done there would be no need to balance power, because there would be unity of aims, not as between three nations, but as between six, and surely it cannot be denied that the larger the group the greater the power.

AFFAIRS IN PERSIA

One could have wished for a more lengthy dissertation from the Russian Minister on Persia. I am afraid I am not quite so sanguine as the Government appear to be of Russia's disinterestedness in that part of Persia outside what is known as her particular sphere of influence, but I confess that of late disturbances both in the western and the southern regions have been fewer. All the same, Russian troops in the northern provinces are as numerous as ever.

Persia looms large in British policy at the present time, for the First Lord of the Admiralty has given notice in the House of Commons to move, "That it is expedient to authorise the issue, out of the Consolidated Fund, of such sums, not exceeding on the whole £2,200,000, as are required for the acquisition of share or loan capital of the Anglo-Persian Oil Company." A notice of this nature marks a departure in Admiralty policy, and although foreshadowed in the First Lord's speech on introducing the Naval Estimates last year, the transaction will require some looking into before the House of Commons gives its consent to so large an allocation of public funds.

We must have an adequate supply of oil for our ships, and the supply must be constant and of a kind suitable for naval purposes. But why must it come from Persia? Are not supplies of oil sufficient for the requirements of the Navy to be obtained within the Empire? What about Egypt, Trinidad, Borneo and Sarawak—to say nothing of Canada? I mention these places as I think before going to a foreign country we ought first to exhaust supplies of British origin. Then are we certain that the terms of the proposed contract with the Anglo-Persian Company justify the payment of this large amount of money? It seems a little risky to invest the taxpayers' money in oil-fields situate in a country over which we have no direct control, and whose government cannot keep order within its own borders. True, as long as the *entente* with Russia exists so long

will this country be safe from aggression in Persia from without; but if by any reason the *entente* should come to an end, our position in Persia would be very different to what it is to-day, and then what would become of the oil-fields in which we shall have invested the best part of two and a half millions sterling?

PORTUGAL AND EAST AFRICA

An informing article in the *Times* from the pen of that journal's Lisbon correspondent draws attention to a revival of the unrest in respect to the ultimate fate of the Portuguese colonies in East Africa. It is supposed, we are told, that an Anglo-German arrangement exists regarding the disposal of these territories. "The continual rumours of discussions between Germany and England as to the future of the Portuguese colonies," says the correspondent, "have roused Portuguese susceptibilities. Constant allusion to an 'economic' delimitation of British and German interests in Portuguese Africa have, no doubt, served to stimulate colonial reform, especially in the direction of endeavours to make Angola, as well as Mozambique, officially solvent. But, on the other hand, the popular apprehension which these rumours excite impedes colonial developments, such as the recent arrangement for transit trade with British and German possessions. Moreover, while there is general confidence that neither the true interests nor the traditional friendship of Great Britain would allow of any agreement derogatory to Portugal's dignity, still less of one prejudicial to her rights, there is not quite the same confidence regarding German intentions, and Anglo-German association in this respect is watched with the greatest anxiety. More than the life of a Ministry is involved, for the Republic itself would almost certainly fall if a colonial humiliation were put upon it from without; and at present the Republic is the only bulwark against civil and social war.

"The Portuguese Government," continues the writer, "is aware that nothing in any new Anglo-German agreement will in any way detract from the value of the Anglo-Portuguese alliance, with the guarantees it involves. There is no intention, either by purchase or otherwise, to deprive Portugal of any territory; nor does England waver in her determination to safeguard Portuguese possessions from any aggression. But the present situation of uncertainty, which permits of continual misrepresentation, places the Government in a very trying position and creates a deplorable atmosphere of suspicion of Great Britain."

It is a little difficult to follow the last portion of this argument. In endeavouring to reassure Portugal the writer appears to assume, and probably he is not far wrong, that some arrangement is being come to between Germany and this country as to their respective interests in East Africa. He further tells

us, or rather repeats what has already been announced officially that Great Britain has no intention of buying out Portugal. Exactly, however, what is meant by the term aggression is not easy to ascertain from the context. Whose aggression? The only possible allusion is to Germany, but why should Germany aggress? Germany and ourselves are friends, Germany is not likely to do anything that might annoy and vex us.

But if Portugal chooses to sell her interests in East Africa to Germany that, after all, is Portugal's affair; it has nothing to do with us. I fail to see how the situation can be cleared up from this side. The *Times* correspondent had better go to Germany and ask her if she has any deal on hand. It is no good talking about uncertainty to us. We have already declared our policy; we are not placing the Portuguese Government in a trying position. If the position is trying, it is of their own seeking. And as for creating "a deplorable atmosphere of suspicion of Great Britain," surely the correspondent is fogging himself. Why should there be any suspicion created when we have an official statement on record? Does he suggest that the Government has changed its mind? That would be a reasonable suggestion, I admit, and no doubt some Member of Parliament will oblige by putting the question. But I think we must have something more definite to go upon than the correspondent's statement before we accept his ruling that a deplorable atmosphere of suspicion against ourselves exists in Portugal.

PANAMA AND REPRESENTATION

The question of British representation at the Panama Exhibition, so far as official assistance is concerned, may now be regarded as finally settled, and there is little reason to find fault with the conclusion arrived at by the Government. In fact, there is no real demand for official representation by the traders either in this country or in Germany, and the Government deserve recognition for having the courage, for once, to stand by their original decision. That we should send the fleet to the opening ceremony of the Panama Canal is quite a different matter, and it is satisfactory to know that this will be done. The occasion will be great and unique, and it would never have done for Great Britain to be without proper and adequate representation.

In conclusion, I should like to say how glad everyone is to hear the good tidings of the Emperor King of Austria-Hungary. His Majesty's health seems now to have resumed its normal course, and, if no untoward symptoms occur, his strength should soon pick up again and Europe will once more have the advantage of his sound advice in international affairs.

DIPLOMATIST.

JUVENILE EMIGRANTS IN CANADA

By G. BOGUE SMART

(Chief Inspector of British Immigrant Children and Receiving Homes in Canada.)

At the commencement of the calendar year 2,204 children, originally from British Poor Law Schools and Homes, came under the supervision of the Department of the Interior. Of these 1,558 were boys and 646 girls, their ages varying from three to seventeen years.

The inspection of each individual child within the twelve months was a work of considerable magnitude, seeing they were distributed throughout the farming sections of eight provinces of the Dominion as follows:—

Ontario	1,498
Quebec	438
New Brunswick	162
Nova Scotia	73
Manitoba	9
Alberta	7
Saskatchewan	15
British Columbia	2
Total	<hr/> 2,204

Having personally devoted much time during the summer months to the inspection of these children, one is enabled at first hand to form an estimate of the value of this interesting form of immigration in the Dominion of Canada. Farmers eagerly awaited the arrival of the boy immigrants, applications being sent in months before the arrival of the lads in Canada. But the supply is not yet equal to the demand. It is estimated that 15,000 children per annum could be placed in comfortable homes and suitable positions were they only available. A few weeks ago the Superintendent of one of the agencies said to me, "It is not at all uncommon to receive fifty applications by the post besides constant inquiries at the office." The number of children emigrated to Canada during the fiscal year by the principal agencies was 2,642, and the number of applications received during the same period 33,493.

Great care must be exercised in choosing homes and situations, and every precaution taken to prevent the child from falling into undesirable surroundings. Like other children the young immigrants are easily influenced and their future is apt to be affected by first associations in Canada. Regular visitation amongst the children must be carried on, otherwise disorders would arise and as a consequence the children would be the sufferers. This phase of the work is well performed by the agencies; there has yet to be brought to the notice of the department a case of "neglect of duty" in this regard, where the society has a receiving and a distributing home in Canada. Supervision must be made as thorough and searching as possible. It not only prevents the commission of acts of injustice to the child but has also proved a real benefit to the foster-parents or employers, who thus have a better appreciation of their moral and legal responsibility to the child entrusted to their care and protection. The inexperienced child also needs instruction occasionally as to his duty and obligation to his superiors.

A pleasing feature of the past year's inspection was that it was a rare occurrence to discover one of these young people otherwise than well fed, well clad and comfortably sheltered. The Canadian agriculturist, as a rule, has the best of plain and wholesome food on his table, and in such abundance that the Home boy's supply of food is limited only by his capacity. Therefore, it is no surprise to observe in the children an improvement in weight, physique and health even in a short time. The policy generally adopted of sending a boy or girl out on a fortnight or month's approval before finally indenturing them is in the best interests of the child.

There is no class of young persons in the Dominion in whose well-being there is evinced more interest on the part of Canadians generally than the juvenile from Great Britain. The ideal ages at which to send these children to Canada are between five and fifteen years. At such ages they are more easily assimilated and unconsciously grow up as young Canadians. Instances of conspicuous success have been brought to the notice of British philanthropists and promoters of child immigration, and these have greatly added to the prosperity and financial support of the movement. Years of experience have shown that, unlike many other and older newcomers, the British juvenile immigrant is satisfied to settle down and remain on the land.

From the Canadian point of view, the present system of juvenile immigration is full of splendid hopefulness. The services of the children are urgently needed as farm and domestic labourers. They are required by our farmers and market gardeners, but are not necessary in our towns and cities, where

the Canadian boys are sufficient for available openings. A healthy, robust boy is quite as indispensable as an adult in farm work, and each has his own particular department of work. It has long been my conviction, based upon years of personal observation in the course of my official duties, that a lad of ten or twelve years of age is actually worth more to a farmer than the cost of his board, clothing and school attendance. Early apprenticeship on a farm is invaluable in Canada, as a good living wage can always be secured if the boy has learned to handle horses, plough or milk.

The removal of these children by emigration to other parts of the empire, where they may have the opportunity to become honest, self-supporting men and women, becomes a work of real value to Great Britain, a distinct blessing to the children, and a source of material development to the overseas Dominion—a truly Imperial work. The work begun in 1869 as an experiment, has attained proportions and assumed an importance quite beyond the expectations of its early promoters. Having personally viewed both sides of the picture, the child in his poverty, his squalor and hopelessness before emigration, and the child enjoying the plenty, the pure air and the freedom of a Canadian home, I may with confidence add that the poorest home in which I have found one of these juveniles in Canada would be palatial to that from which they have been brought.

On their arrival in Canada the children are placed out under varying terms and conditions, but it is to be hoped a more uniform system as to remuneration may be soon adopted. The younger ones are found board, clothing and schooling, with an accounting for their daily attendance at public school and the amount expended on clothes during the year. The Government of Canada think a good home and education preferable to a wage for children under the age of fourteen—commonly referred to as the “school age.” At the age of fourteen, three to five dollars a month should be forthcoming, according to the capacity of the child. At fifteen and sixteen years, seven to ten dollars a month (on yearly terms) is a none too generous recognition of a good, industrious boy’s worth, after two or three years’ previous experience as an apprentice. Personally, I have found during my tours of inspection that an annual renewal of indentures guarantees a wage more commensurate with the progress and experience of a lad of fifteen or sixteen years than one extending over a period of years. There is, however, little room for criticism, as it has been found that generally (in Ontario particularly) the average lad is fairly paid for his services. It is often no sinecure to train a boy with no previous experience, so that in the negotiation the farmer must be considered. The lads,

with few exceptions, make themselves perfectly at home in their new environment, and in a short time become real farmers' boys in appearance and physique and show a genuine interest in everything pertaining to farm life.

The early education of the child is paramount, and with the first-class system of rural schools, provided in all our provinces, no excuse exists for any child not receiving the full advantage of a good public school education. In a recent letter from a gentleman in England, who perhaps has a more than personal interest in the careers of these young people, he stated, "Our boys do exceedingly well when Canada gets hold of them. Last week the names of four boys were sent me, one of whom had only been four years in Canada; all were sending money home to England to bring out a relative, sister, brother or mother. It is very remarkable that a boy from being himself destitute should be able to so prosper as to become a benefactor to those whom he had left behind him in poverty."

The majority are to be found in dairying and mixed farming areas, where they have an opportunity of learning the different branches of farm work. With commendable energy, after working out their indentures in Ontario, at the ages of 18 or 20 a number have taken up land in the newly-opened-up districts where farming lands are made easier of acquirement than in the older and highly cultivated counties of Ontario. In the province of Quebec the farmers value the help of boys and the numbers of applications from this older province is but partially satisfied. Similar openings for industrious lads are available in New Brunswick, Nova Scotia and Prince Edward Island. In Manitoba, Saskatchewan and Alberta many former juvenile immigrants have done well as homesteaders. Good openings are also available in Western Canada for those who have served their apprenticeship in the eastern provinces. Some have become practical and scientific farmers, farm managers and cheese manufacturers.

A few weeks ago it was my privilege to meet one of the prominent authorities on stock farming in Ontario, during a visit to Toronto. He said, "I have one of the best farm managers in the Dominion. He directs the whole management of my farm. He is now married to a very fine woman and they would fill almost any position with credit to themselves." This farm manager came to Canada when a lad, having previously spent his early life in a British poor law school. Another farmer said, "I could not wish to have a better boy. That lad," pointing to a boy in a distant field sitting on a land roller and driving a fine pair of horses, "has had a good upbringing in England. He is willing and truthful and could not be hired to do a dishonest trick." There are, of course, differences of quality amongst these children just

as one finds among other classes of people. A third-class boy will find his level in Canada, and must not be looked for in other than a third-class situation.

The following news item is worthy of notice.

“BARNARDO BOY'S ESTATE.”

“TORONTO, *October 19.*—Frederick Hales of Mimico, an old Barnardo Home boy, has left an estate of \$2,451.75, but has left no will with regard to how he wished this disposed of, or any trace of relatives entitled to claim it. Hales was thirty-four years old, and previous to entering the Barnardo Home was an inmate of the Central London district school in Middlesex, England. He was sent out by Dr. Barnardo to Canada when a boy. He owned a house and lot on Fourth Avenue in the village of Mimico, York County. If no heirs can be found the estate will revert to the Crown.”

I inquired into the early experiences of the late Mr. Hales, and found that there was nothing unusual in his previous life. In 1894, at the age of 16, he came to the Dominion and was placed on a farm where he acquitted himself creditably, remaining with his last employer four years: At the age of 21 he gave up farm life and settled in the town of Mimico where he died. In the circumstances his estate reverted to the Crown.

The definite results of the year's work may be summarised thus. There were found in very good and fair homes and situations 1,927; only eleven were in unsatisfactory placings. Little reference need be made to the health and physical condition of the children, as but five were reported to be in a delicate and unsatisfactory state of health. In the matter of behaviour, with which is included character, it should be observed in all fairness that the juvenile immigrant has measured up quite to the standard of those of our Canadian boys and girls who like them have suffered from early neglect and privation. The reports show that 2,909 were well behaved and given a good and fair character, while twenty-nine were reported otherwise. Everything taken into consideration, the British immigrant boy or girl in Canada is a striking refutation of the statement that evils of heredity cannot be overcome and a living demonstration of the power of a changed environment for both body and mind.

Inspector K. J. Henry in his report for the year says:—“The inspection made by me of British children during the year ending March 31, was on the whole very satisfactory. The great need of the children throughout the county and the manner in which the large majority are progressing, is shown and appreciated by their employers, which a few years ago was not so often met with, their general health being of the best, and their daily growing in strength and usefulness make them almost indispensable to the farmers, many of whom have said as much to me. The attendance at school, church and Sabbath school

has been even better than that of previous years. All these facts would indicate a greater appreciation of expectations resulting therefrom.

“The demand for both girls and boys is much greater than the supply. It is a common occurrence to be stopped on the road when driving, and to be asked how and where a girl or boy can be secured. A few of the girls seen, I regret to say, have got into trouble, but in every case they were or would be in a very short time placed where the necessary care and attendance would be given. Generally speaking, I must say the year’s work has been gratifying.”

Inspector R. W. Hillyard in his report observes:—“During the past year I have had ample opportunity of becoming better acquainted with conditions surrounding the work of child immigration in Canada. My labours were confined to the provinces of Ontario and Quebec. There was abundant evidence of successful development amongst the children, whom I found with few exceptions placed in desirable environments. The demand for boys and girls as farm and household helps respectively has been very great. Canadians are glad to receive and train these children with a view to future usefulness. With few exceptions I found them making most encouraging progress and conducting themselves creditably, the result which generally follows when children are placed with worthy people. The numbers of failures are few, the successes legion. I would recommend that indentures should be entered into as far as possible early in the spring of each year. Children under the age of eighteen should not be permitted to make their own bargains as to the wage they are to receive without first submitting the terms to the Superintendent of the Home for approval; they are inexperienced and there is a danger of their being imposed upon by unscrupulous persons.

“Few cases of injustice were brought to my attention, and these were promptly reported to the Homes. Frequently instances have been brought to my personal notice of children who have done well in Canada, who were able to send for loved ones in the old land and in Canada form “Love’s shining circle,” which had been broken for years by adversity and poverty. It is only a few weeks since I met a mother and four daughters on their way from the old country to meet two brothers, who had been in Canada about five years, and had sent for them to join them as they had made a home of their own. A gentleman informed me subsequently that he had happened to be present at the reunion, and spoke of their joyful meeting.”

G. BOGUE SMART.

THE FATHERS OF IMPERIALISM

By J. CRESSWELL ROSCAMP, M.E., M.I.M.E.

At a moment when the sky over the Empire is clouded by industrial, racial, religious and political strife it seems an opportune time to consider the question of Imperialism and to look back to the pioneers of the movement, for it may well be that we shall only be able to avoid disruption and dismemberment by clothing ourselves in the spirit of our forefathers and each playing his part for the ultimate good of the King and Country and forgetting for the once ourselves.

The first true Imperialists were without doubt the United Empire Loyalists—those hardy, loyal subjects who refused to follow the flag of the revolutionaries and, though risking all, surrendering wealth, home, comforts, and in many cases their lives, gave all readily and without murmur for the love of their King and Country.

For the first time a crisis was viewed from an Imperial standpoint. Differences of opinion, politics and religion were cast on one side, and even with the knowledge that in many cases the rebels were in the right, they never wavered but cast in their lot unflinchingly and unreservedly to uphold the honour and prestige of the "Union Jack."

Well indeed did Dr. Ryerson put forth their case in his interesting work. He said, "The United Empire Loyalists were the losing party; their history has been written by the adversaries and strangely misrepresented. In the vindication of their character I have not offered assertion for assertion, I have offered the records and documents of the actors themselves and in their own words," and he went on to show how "with nothing to hope for from the Crown, they were prepared to face the most brutal mob violence and the invectives of a scurrilous press" for the cherished dream of a solid, United Empire comprising all the English-speaking peoples of the globe.

The whole of the causes of the disruption would take too long to go into here, but they may be briefly said to be the outcome of

a bungling policy pursued by the Home Government in an attempt to tighten up the reins of government in the thirteen colonies in 1764 after the power of the French had been overcome in Canada.

In order to populate the wilderness of the New England States in the first instance, people had either to be driven there by oppression or bribed with great liberality. Thus it came about that charters were granted to some of these colonies on a far too liberal scale, some States even being allowed to appoint their own Governors, while others, whose Governors were appointed from England but who had to pay them from the taxes, would withhold their salaries until they appended their signatures to their Bills, thus assuming practically total independence.

When the British Government then took the matter in hand they rebelled against the curtailment of their privileges, and commenced the war in 1776 that lasted till 1783, when Great Britain signed the treaty acknowledging their independence.

The United Empire Loyalists, who were granted by special "King's warrant" the privilege, to themselves and their descendants male and female for all time to come, to write the letters U.E. after their names, were aristocrats and men of powerful families, individuals of culture and learning who had gathered round the Courts of the Governors of the States, but who on the outbreak of hostilities severed their connections with the States and took up the cause of their King. They risked all and lost all save their dearest possession—honour. Afterwards they were driven forth into exile, poverty and dire distress, and to the shame of England they were paid but little heed.

These then were the pioneer settlers of Canada, and their history is one of the most stirring events of the history of the British Empire. It is one of privations, toils, footsore and weary journeyings through the wilderness, and untold hardships, but by their perseverance and pluck and enterprise, their simple life and helpfulness to one another succeeded and laid the foundations of the present Dominion.

Altogether some hundred thousand of them escaped and settled along the shores of the St. Lawrence, the great lakes and eastern part of Canada, and it was by these great Imperialists that Canada was saved to the Empire when the Americans invaded it in 1812. To-day we find their dream of unity is being more and more earnestly considered by all the component parts of the Empire; their example of steadfast loyalty and devotion is being followed with increased zeal, and there are none more proud of the growth of the spirit of Imperialism than are their descendants.

To-day, however, we find industrial and religious troubles rife

at home, industrial and racial strife in Canada and South Africa, industrial warfare prevalent in New Zealand and Australia ; we have the menace of unemployment and discontent, capital scourging labour, and labour oppressing everyone and driving out capital, strikes and dissensions, revolts even against labour's own leaders, and ever and ever a dangerously increasing cry for a freedom that could never be in the least possible.

To-day, with all the clouds thus darkening upon our horizon, would it not be well to look back for a while and ponder on the self-sacrifices of these our ancestors, and try to emulate their example by banishing our own feelings and desires for once and taking up the cause they gave so much for—Imperialism?

If we do not, what of to-morrow?

J. CRESSWELL ROSCAMP.

LAND CLEARING IN NEW ZEALAND

METHODS that would have been voted miraculous a couple of generations ago, when New Zealand's first settlers were hard at work from morning till night subduing the land, to-day are a matter of course, but none the less thrilling to the lay mind because of that. A specially interesting breaking-in operation of to-day is the preparation of rough scrub country for cultivation, not now the laborious clearing and burning business that used to obtain. Even where scrub and fern grow to a height of fifteen feet it has been proved that by the aid of an adapted swamp plough, drawn by half-a-dozen hefty horses, clearing can be done at something like lightning speed. The plough turns over the soil and buries fern, tussock, and scrub without distinction under a swathe of earth, turning a furrow of two feet in width and ten inches in depth. Not even a twig is left projecting, for an ingenious hook attachment tucks all the vegetation underground, and out of sight. Acre after acre is devoured with great speed by this machine, and the ground prepared for the reception of seed after a little harrowing has toned up the new surface. Under that surface, of course, the vegetation speedily rots and adds nutriment to the soil.

MAN AND HIS PLANET

THE DISTRIBUTION OF RACES

By G. H. LEPPER

IN a former number of *The Empire Review* * I made a brief survey of the principal racial divisions of mankind. I propose now to analyse the grouping and distribution of the world's human inhabitants.

One may, perhaps, begin by noting that, apart altogether from racial and political distinctions, the distribution of population over the surface of the globe is very unequal, and that the inequalities are not explicable on climatic, geological, or topographical grounds alone. Neglecting Greenland, Antarctica, and the lesser Polar islands, which are entirely incapable of supporting more than a few straggling human beings at the present time, whatever they may have done in past ages or will do in the distant future, the land surface of the earth is approximately 51,500,000 square miles in extent, carrying a population of (in globular figures) 1,750,000,000.

TABLE SHOWING APPROXIMATE DISTRIBUTION OF THE HUMAN RACE BY CONTINENTS.

Continent.	Area.	Population.	Number of persons per square mile.
	sq. miles.		
Asia (with islands)	17,000,000	975,000,000	57
Africa (with islands)	11,500,000	137,000,000	12
North America (with islands)	8,300,000	133,000,000	16
South America (with islands)	7,625,000	53,000,000	7
Europe (with islands)	3,675,000	445,000,000	121
Australasia, etc.	3,400,000	7,000,000	2
Total	51,500,000	1,750,000,000	34

These figures give an average density of practically 34 persons to the square mile for the earth as a whole. Comparing one continent with another it will be seen that Australasia, i.e. the Commonwealth of Australia, Dominion of New Zealand,

* April, 1914.

and the islands of the South Pacific, supports only 2 persons to the square mile; South America 7; Africa 12; North America 16; Asia 57; and Europe 121. The last two continents evidently belong to a different category to the first four from the point of view of density of population. It is hardly necessary to draw attention to the fact that physically Europe and Asia form a single continent, so that one may combine their areas and population in order to arrive at a just idea of the present distribution of man. Doing so we have an area of about 20,675,000 square miles and a population of 1,420,000,000, giving an average density of 68 to the square mile, or twice the average density for the entire land surface of the earth.

It may also be pointed out that over 81 per cent. of the total population of the world resides on the Eurasian continent, although this huge mass includes only 40 per cent. of the terrestrial land surface. Conversely, the remaining 19 per cent. of the world's inhabitants are spread over 60 per cent. of the land area, with an average density of less than 11. In order to equalise the densities of the continents, therefore, the present population of Europe would have to be reduced by over two-thirds, that of Asia by two-fifths; North America's present total would have to be doubled; Africa's tripled; South America's quintupled; while Australasia would have seventeen times as many inhabitants as it has to-day.

Taking a different basis of comparison it will be found that the British Empire, comprising 11,500,000 square miles and about 445,000,000 inhabitants, yields a density of 39, which approximates fairly closely to the average density for the whole world, as might be expected from the extent and representative character of the Britannic dominions.

The Russian Empire, next in order of size, includes 8,765,000 square miles with a population of about 175,000,000, or 20 to the square mile. The lower density in this case is due to the sterile character of much of the Russian territory rather than to a general thinness of population. The French dominions extend to 4,745,000 square miles, carrying 80,000,000 inhabitants, the density being 17. Here again the desert area included reduces the average density considerably. The Chinese Empire, like the Russian, a compact area including large tracts of sterile land, has an area of 4,275,000 square miles, the estimated population being about 435,000,000, or rather under 102 to the square mile.

The Chinese Empire is the most densely peopled of all the large political aggregations. Latin America with its 8,400,000 square miles and 80,000,000 inhabitants, has an average density of under 10. The United States and its external possessions have an area of 3,705,000 square miles, carrying 105,000,000 people, the

average density working out as 28. The German Empire is the only remaining political group containing over a million square miles of territory. The figures in this case are 1,335,000 square miles and 80,000,000 people—just under 60 to the square mile.

TABLE SHOWING AREA, POPULATION AND DENSITY PER SQUARE MILE OF THE MORE IMPORTANT POLITICAL AGGREGATIONS.

Dominions.	Area.	Population.	Density per square mile.
	sq. miles.		
British	11,500,000	445,000,000	39
Russian	8,765,000	175,000,000	20
Latin American	8,400,000	80,000,000	10
French	4,745,000	80,000,000	17
Chinese	4,275,000	435,000,000	102
United States	3,705,000	105,000,000	28
German	1,335,000	80,000,000	60
Belgian	920,000	23,000,000	25
Portuguese	838,500	15,500,000	18
Netherlands	795,000	44,000,000	55
Italian	700,000	36,000,000	51
Turkish	445,000	23,000,000	51
Spanish	280,000	20,000,000	71
Japanese	262,000	70,000,000	267
Austro-Hungarian	261,000	50,000,000	191

Narrowing the inquiry still further we find that in the Nile Valley (Egypt) the density of population works out at about 930 to the square mile. In Belgium it exceeds 700, and in England, and in the Shantung Province of China it approaches the latter figure. It is worth noting at this stage that Europe is the most densely populated continent, and the southern half of Great Britain is with one or two minor exceptions the most populous country of Europe for its size. These facts go far towards explaining the spread of the European peoples over the greater portion of the habitable world and the predominant part played by the people of the British Isles in that expansion.

It is also noteworthy that Southern and Eastern Asia, which compare with Europe as regards density of population, are the only other regions whence the inhabitants have shown a tendency to migrate in modern times. And it is from India, China and Japan, the three most densely populated countries of Asia, that emigration has taken place. It is fairly evident, therefore, that racial venturesomeness plays a secondary rôle to economic pressure in stimulating the migratory movements of mankind. A comparison of the density of population in the countries of Europe with the rate of emigration from these lands at the present time affords further evidence in support of this conclusion. Austria-Hungary, Italy, and the western portion of Russia, in all of which countries there is a dense population, furnish the bulk of the Trans-Atlantic emigrant traffic to-day.

Spain has contributed a large number of colonists to Central and South America. France, on the contrary, has, in the past expended her manhood on European military adventures with the result that, with the exception of Quebec, there is no large settlement of Frenchmen oversea, nor, in view of the stationary population of France, is there likely to be any true colony founded by the sons of Gaul.

Emigration from Germany, once of considerable extent, has ceased to be an important factor in the migratory movement to less densely populated areas. Indeed it is said to be the case that Germany is actually absorbing immigrants from other parts of Europe at the present time. But this state of affairs must be merely temporary, since the high birth-rate in Germany will eventually prove too much for even the remarkable industrial expansion of the Fatherland to keep pace with. Emigration from Europe is then likely to go on in constantly increasing volume unless there should be a general European war. Most of the colonists will settle in North and South America, a few of the less impecunious settlers finding their way to Australasia and South Africa. The wealthier type of Briton will probably continue to go to British Columbia, the East African Highlands and Southern Rhodesia.

Postponing for the time being further consideration of the questions arising out of the exodus from Europe some attention to the political aspect of the world is desirable at this stage. On examination we find that the only countries remaining independent of European (or American) control are: (In Africa) Liberia and Abyssinia; (in the West Indies) the republics of Haiti and San Domingo; and (in Asia) the Turkish dominions, Persia (nominally only since the partition of the country into British, Russian and neutral spheres of influence), Afghánistán (which may almost be regarded as under British suzerainty), Tibet, Siam (more or less under the wing of France), China and Japan.

The total area of these countries is about 6,750,000 square miles and their population may be estimated at 560,000,000, giving an average density of 83 persons to the square mile. The proportion of the earth's surface under European rule is roughly 44,750,000 square miles, with a population of 1,190,000,000 or under 27 to the square mile—less than a third of the density in the regions not governed by the White race. Thus, even though all the people living under White rule were evenly distributed over the lands they inhabit, which is very far from being the case, they would still possess more than their fair share of the earth's surface. Separating the coloured and White elements of the European world we shall find an even greater disproportion between their respective shares of territory.

The White Race (with which are included the aborigines of America and Australia, and the Maoris, who are in process of either extinction or absorption as the result of contact with the Whites) has almost unchallenged possession of four continents at the present time. As its numbers are roughly 640,000,000, and all but about 10,000,000 reside in Europe, Australasia and the two Americas, with a combined area of about 23,000,000 square miles, the average density of population works out at rather less than 28. It will be remembered that the average density for the whole earth is 34 so that the White Race is in occupation of nearly 25 per cent more than its proper share of land without taking into account its possessions in Asia and Africa, which add nearly as large an area and population to the total.

Clearly a sharp distinction must be drawn between those portions of the earth in which the Whites are in more or less undisputed possession, such as Europe and Australasia, or in an enormous preponderance, such as North and South America, and the regions over which they merely govern, such as the greater part of Africa and the European dominions in Asia, where the white population consists entirely of military, officials, merchants, traders and planters. A convenient touchstone to apply in order to discover into which of these classes any given country falls is to inquire whether white labourers and artisans can make a living within its borders without lowering their customary standard of living. If so the country can be classed as a true "White Man's Country"; if not it is only subject to White rule by reason of the lack of military and administrative ability on the part of the subject race.

The first two types may be regarded as permanent homes of the Whites, at any rate for as long a period as it is profitable to attempt to envisage, but the last is, historically speaking, only temporarily under European control, and such countries will emerge at the appointed time as independent entities, their inhabitants enriched by the knowledge they have absorbed of the White man's arts and industrial inventions during the period in which they remained under his tutelage. The most important of such embryo independent aggregations are India and her tributary peoples, and the hereafter-to-be-welded Negro tribes of Africa. Of the populous non-white countries China and Japan alone have escaped conquest by Europeans. These nations remain as an inspiration to the other coloured races to work for their own ultimate emancipation. No doubt India will be the first to achieve autonomy (whether within or without the British Empire depends entirely upon the statesmanship that is brought to bear in the immediate future on the problem of the status of Indians in that Empire), since the people of Hindustan are the heirs of a hoary civilisation

of their own as well as apt imitators of that of the Occident. They are, therefore, at a considerably more advanced stage of evolution than the Africans, who are likely to remain under European control for several centuries to come.

The three Asiatic groups of humanity combined furnish more than half the entire population of the earth. The Yellow or Mongol division is the largest, comprising Chinese, Manchus, Mongolians, Tartars, Koreans, Japanese, Central Asians, Tibetans, Siamese, Cochinese, Annamese and other races to the number of rather over than under 550,000,000, inhabiting an area of about 5,000,000 square miles—an average density of 110. Strictly speaking the peoples of some of the trans-Himalayan States which fall in the British Indian sphere, such as Nepal, Bhután and Burma should be included in the Mongol division, but it is impracticable to group the different races on ethnological grounds alone, and both geographically and politically the last named countries are isolated from the Yellow group. Consequently their future destiny seems likely to be linked with that of the Dark Aryans.

It is impossible to give figures which are more than intelligent guesses for the total population of the Yellow countries, since estimates of the population of China vary between 300,000,000 and 450,000,000. For present purposes the number of people under Chinese rule is assumed to be 435,000,000. The Mongols are the most widely dispersed of any of the Asiatic race groups, their present habitat ranging from within the confines of Europe to the islands of Japan (not to mention the colonies of Chinese and Japanese which have settled on many of the Pacific islands and on the western coasts of the Americas), and from the chilly plains of Siberia to the tropical beauty spots of the East Indies. Some of the Yellow peoples are nomadic tribes not unlike the wilder elements of the Semitic group, others are the most skilful intensive cultivators in the world. In the wideness of the range of its civilisation from the highest to the lowest types included the Yellow Race surpasses all others.

According to Sir Robert Douglas the population of China Proper is about 420,000,000. This huge total is spread over an area of 1,550,000 square miles, consequently the average density is as high as 280. In the Shantung Province the density is 683, or practically that of England and Wales, but it must be borne in mind that China cannot be regarded as an industrial rather than an agricultural country, therefore comparisons of this kind are apt to be misleading. In Kwangsi the density is only 67. Mongolia and Tibet are still more sparsely peopled. French Indo-China, with an area of 310,000 square miles and a population of 17,000,000 has an average density of 55.

The Japanese Empire extends over 262,000 square miles and has a population of about 70,000,000, giving a density of 267. In Japan itself the density exceeds 300, but as much of the land is so rugged as to be uncultivable, and indeed cannot be put to any use at all, the density in many of the inhabited regions is much higher than this figure. It would appear, therefore, that both China and Japan are carrying a population largely in excess of their proportionate ratio, calculated on the basis of equal areas for equal populations, and urgently require outlets for their surplus millions. The practice of infanticide in China with the object of preventing a too rapid increase of the population affords further proof that such is the case. Yet Chinamen are not enamoured of emigration as a remedy for overcrowding, and only an infinitesimal percentage wander far from their native country. Those that do so are usually extremely particular to arrange for the shipment back to the Flowery Kingdom of their corpses in the event of their death occurring in a land belonging to the "outer barbarians."

Of all the non-white races the Mongols alone have been fairly successful in remaining independent of European rule. The few exceptions are the peoples of Russian and French Asia, but these are few in numbers by comparison with the great masses of inhabitants of the Chinese and Japanese dominions.

In India, the most important unit of the Dark Aryan area, the density of population, while considerably less than that of China or Japan, is still much greater than that of Europe. British India (including Burma, the protected Native States and Ceylon) has an area of about 1,900,000 square miles with a population of 330,000,000. The average density is therefore 173.

An analysis of the 1911 census returns, which cover a rather more restricted area, gives the density of the Indian Empire as 175, which is much the same as that of Europe exclusive of Russia—a curious parallelism of both areas and populations. As in China the density varies greatly between different sections of the whole. Oudh has 538 inhabitants to each square mile, Burma has 44, Baluchistán only 8. The areas with more than 500 persons to the square mile, although only accounting for one-eleventh of the total, contain one-third of the inhabitants. Certain purely agrarian tracts support up to 1,000 persons to the square mile, whereas 250 is the maximum density in any agricultural community in Europe. In other parts of India the soil will not support a density of 25.

To complete the Dark Aryan division we must add the people of Persia, numbering about 9,500,000 and 6,000,000 Afghans (who in spite of their Semitic origin are more akin to the Dark Aryans at the present time). This gives a total of about 345,000,000 inhabiting 2,780,000 square miles, that is 123 to the square mile,

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or almost identical with the density of Europe including Russia. Of the Dark Aryan countries only Persia and Afghánistán are really independent of white (in this case British) rule, and Afghánistán is virtually under British suzerainty. Persia, too, is apparently about to fall to pieces as the result of the disruptive magnetism exerted by Russia in the north and Britain in the south. We have seen that the average density of Europe is 121, that of Dark Aryan Asia 123, and that of Mongol Asia 110. Consequently, of the three large aggregations with dense populations, the Dark Aryan group heads the list. The Mongol figures are misleading because of the large, sparsely peopled and even uninhabitable desert areas included in the total, so that it would be more accurate to include only China proper, the Japanese Empire and Indo-China in order to arrive at a fairer idea of the density of Mongol Asia. In this case the density of the Yellow Race area would work out at about 240, or twice that of Europe and the Dark Aryan countries.

The Malay-Oceanian group includes a number of large and innumerable small islands as well as the long and narrow projection of Asia known as the Malay Peninsula. Most of the Malays reside in Java, Sumatra, the Philippine Islands and the Malay Peninsula. Together, with the Indonesians and Negritos they number rather over 48,000,000 and inhabit about 925,000 square miles, giving a density of 52. Melanesians, Polynesians and other islanders add about 1,500,000 more inhabitants and 325,000 square miles to the totals for this division, which are, therefore, nearly 50,000,000 people and 1,250,000 square miles of territory, the density per square mile averaging 40. Although some of the Malay States are under only very shadowy British control, none of the Malay-Oceanians are completely independent of White rule, unless we except the savages inhabiting the interiors of Borneo and Guinea. The governing Powers are: Great Britain, Holland, Germany, France, Portugal and the United States.

Passing to Africa, we find the Negro peoples in occupation of the greater part of the continent, though almost everywhere under White government. The Negroes (with whom for geographical reasons the Malagasy race must be included) do not, in all probability, number more than 135,000,000, and the total is possibly rather less than this. About 20,000,000 of these reside in North America and in the West Indies. The 115,000,000 living in Africa are scattered over about 9,700,000 square miles, the density being 12. They are, therefore, by no means overcrowded. Abyssinia and Liberia, the only independent nations, have a combined population of 10,000,000 inhabiting 472,000 square miles. The Negroes under European control thus number about 105,000,000.

The proportion of Negroland which is capable of being colonised by the White Race is comparatively small. The British and Portuguese territory south of the Zambesi, German South West Africa, and possibly a small area lying at a high altitude in East Africa would seem to represent the extreme limits of effective European settlement, and in much of the area included within these boundaries the climatic conditions are unfavourable to the performance of manual labour by white men. It is not the actual temperature but the kind of heat that is responsible. Hard physical exertion is performed by white men in Australia and in Western America in spite of shade temperatures quite as high as any to be encountered in Africa; but in the first-named countries the heat is dry, and does not produce the intense enervation caused by the humid warmth of tropical and sub-tropical Africa at altitudes of less than half a mile above sea-level.

In the Cape Province, the Orange Free State, part of Natal, the greater part of the Transvaal and Southern Rhodesia, and in German South West Africa, only the mental attitude of the white population, induced by the presence of a race of coloured men who appeared to have been placed there by Providence to be hewers of wood and drawers of water to their conquerors, stands in the way of the performance of hard labour by white men. Indeed white labour of the indigent (locally known as "poor white") type is now extensively employed in railway construction by the South African Railways Administration, though owing to the fact that such work is regarded as beneath the dignity of Europeans there does not seem to be much prospect of a general extension of the principle of employing white labourers in that part of the world.

In Portuguese Africa, the "low veld" of the Transvaal, Zululand and the coast belt of Natal, on the other hand, the humidity is such in summer that white labour would not be likely to prove satisfactory even were there no coloured population to draw upon. The experience of Queensland in this connection makes it rash to dogmatise on the subject, but the view just expressed is that taken by most people who are familiar with South East African conditions. What the future of the White settlement in Africa is to be is quite obscure. The apparent trend of events in this connection can, however, be left for discussion until the racial problems presented by the "Dark Continent" come up for more detailed treatment.

Apart from the White settlements, which may or may not prove permanent as such, and the Semitic North, Africa is clearly marked out as a preserve for the dark-skinned races, which alone can thrive under the fierce rays of its blazing sun. But

the Negroes, fast though they multiply where war and disease have been checked by the rule and science of the Whites, are numerically too few to hold the continent for their own exclusive use in the face of the centrifugal forces which must operate more and more strongly in Asia as time goes on. If the 20,000,000 descendants of exiled Africans could be restored to their ancestral homes the Negro Race would still be in occupation of far more territory than it is entitled to on a proportional basis.

So far the Asiatic invasion of Africa has only amounted to a few hundreds of thousands—merely an advance guard of the stream which may ultimately be expected to flow—owing to the restrictive regulations now in force, but the day is probably not far distant when the parchment dams which hold back the swarming hordes of the adjoining continent will no longer suffice to prevent an overflow. It is essential, then, if the gravest trouble is to be avoided, that an effort should be made to prepare for such a contingency by the allocation by international agreement of definite areas in which Asiatic settlement is to be permitted.

There remain to be mentioned the countries peopled by the races which may for convenience be collectively described as Semitics, whose religious homogeneity—nearly all are Moslems—may be held to override any purely ethnological considerations for the present purpose of political and racial grouping. The Semitics are the least numerous of the six large race groups, numbering about 45,000,000 and inhabiting an area of 2,200,000 square miles, much of which is desert. The Semitic and Malay-Oceanian divisions are thus very similar both in numbers and in the extent of their territorial possessions. Both groups occupy a linking position between other larger divisions—the Semitics between the Whites and the Dark Aryans and Negroes; the Malay-Oceanians between the Dark Aryans and the Mongols.

The density of the Semitic countries is 20, but if the desert areas are excluded this figure would be largely augmented. The countries included in the group are the Turkish Empire, Egypt proper, Tripoli, Tunis, Algeria, French Mauretania and Morocco. The bulk of the population is to be found in Asia Minor and Mesopotamia, the Turkish dominions accounting for about 21,000,000. The Egyptian portion of the Nile Valley supports about 11,500,000, the coast belt of Algeria over 5,000,000 and Morocco 5,000,000. Only the Turkish Empire is entirely independent of White rule, but Morocco is in a transition stage not unlike that in which Persia now finds itself. Great Britain, France, Italy and Spain are the Powers exercising control over the remaining countries included in the group. In one respect the Semitic division is on quite a different footing, as regards its relations with the White Race, than any of the other groups.

The European population in the Semitic regions is confined to the coast towns, and the problems to be settled belong more to the sphere of politics than to the order of strictly racial issues. Thus the future of Asiatic Turkey is an international European question quite without racial significance. The Nationalist unrest in Egypt is not dissimilar in its nature to the Nationalist agitation in Ireland, both being largely due to religious differences. Italy's African problem has points of resemblance to Germany's endeavour to assimilate Alsace-Lorraine. Tunis and Algeria may almost be regarded as detached portions of Southern Europe. Even in Morocco the conflict between Europeans and Moors is religious rather than racial in origin, though the desire of a proud people to retain its independence is probably a more important factor than either of the other two. The colour prejudice and the economic questions which figure so largely as the causes of the attitude adopted by the White Race towards other types of man operate with least force in the Semitic area.

In Africa, and to a lesser extent in Asia, colour prejudice is rampant, more so perhaps in the case of the Anglo-Saxons than any other European people. In the Portuguese it is notably lacking. The friction between Whites and Asiatics is more economic in its origin, arising out of the different standards of living of the two types and to some extent out of the superior industry of the brown and yellow peoples. Wherever a White democracy is in power, the fear of cheap labour is a very real political force to be reckoned with. Only absolute exclusion satisfies a White community once it has acquired experience of the nature of Asiatic competition.

Hence we find a temper in existence along the Pacific Coast of North America, in Australia, and in South Africa which will prove dangerous to the peace of the world if some fair racial compromise, which would have the effect of confining each race to definite areas in so far as colonisation is concerned, while not placing any geographical restrictions on the operations of merchants and the other classes of people who do not come into such direct economic conflict, cannot be effected. Unfortunately there has already been a great deal of mischief done by the mixing of the labouring classes of Europe (including North America) and Asia.

Such mingling is bound to produce oppressive legislation directed against a voteless minority and consequently to cause resentment. This is not confined to the communities immediately affected, but reverberates across whole hemispheres, and helps to create a smouldering mass of racial hatred, which must eventually break into flame if it should be allowed not only to continue but further to be fanned from time to time by fresh acts of injustice.

The attitude of California towards the Japanese and of South Africa and British Columbia towards Indians has not been merely local in effect. America's relations with Japan have been embittered and the position of Great Britain as the ally of Japan has been made somewhat uncomfortable as the result of the stand taken by California in this matter. Great Britain's position in India has been made far more difficult than it would otherwise have been by the treatment accorded loyal Indians, many of them ex-British soldiers, in South Africa and British Columbia. Yet those who have studied local conditions on the spot find themselves unable to condemn the action taken by the White populations of those countries to protect themselves from Asiatic competition, and they are forced to the conclusion that if the Pacific Coast of North America and South Africa had followed the lead of Australia and New Zealand in refusing to admit Asiatics (there are, of course, a few Chinese who entered Australia and New Zealand before exclusion was enforced) there would have been fewer complications of a racial character to-day.

But it is no use wasting regrets; certain facts have to be faced with a determination to find a rational solution of the problems presented. These are undoubtedly most complex and bristle with difficulties at every turn, so much so that the writer is in some doubt as to whether even discussing them does not invite the quotation of the line, "Fools rush in where angels fear to tread." If the White Race were a unit and not made up of a number of mutually suspicious nations, each playing a dangerously selfish game, it would still be far from easy to bring racial harmony to fruition on this Mars-beridden planet.

Conceding the almost insuperable nature of the difficulties to be surmounted it is, however, not altogether unbelievable that they can be overcome by a resolute effort. The only way to proceed is to examine each of the outstanding problems from all the vital points of view. For while the solutions of each must, to be successful, dovetail closely into a comprehensive whole, the only practicable method of arriving at the final answer to the puzzle is to solve each detail in turn. When the time arrives for the fitting together process to be undertaken it should not be very hard to pare off the rough edges of the separate pieces so that they cohere into a smooth and stable mosaic.

Is it too much to expect of human nature at the present stage of its evolution that it should prove itself equal to a task which is, it must be admitted, incomparably more difficult than any yet accomplished by man?

G. H. LEPPER.

THE CHILD IN POETRY

BY THE REV. EDWIN H. GOMES, M.A.

THE instinct that links parent to child dates back to very ancient times, but the position the child holds in Poetry is of comparatively modern date. It would seem that as the world grows older, it takes more and more interest in things that are young.

In ancient days the general spirit of man was more child-like, and the young child was viewed with less wistful eyes than at present. We, however, with our enlarged knowledge of the uncertainty of life, we, wondering what the dark future has in store for us, turn with increasing interest to the love and faith and the longing expectancy in the bright future that are the special features of the child mind. And there is something very fascinating in the characteristics of the very young. Love in the child is always a free and independent instinct, so different from the selfish interest which often dominates it in the lives of those who are older. The child's natural assurance, that it must be so with all, shines forth, in the midst of the sordid commonplace and surrendered ideals of the world, as a type of what the Kingdom of Heaven is meant to be.

To go back to ancient times, we find, in the poetry of distant lands, frequent mention made of children, and, as we might expect, we see that in every age and every nation children much resemble each other in their thoughts and habits. Homer tells us of boys building sand castles by the sea, or hunting for wasps' nests, just as we can easily imagine children of our own day doing. Achilles, when a child, climbs on the knees of his father's guest, and clamours for a sip from his goblet, and spills the wine over his clothes. The boy Ulysses is pictured walking by his father's side through his garden, and we listen to the proud father teaching him the names of trees and flowers, and one can easily picture the boy's joy, when his father points out to him the plot of ground that he has given him to be his very own. The references to childhood to be found in Homer are beautiful and

natural, and they show us that, back in the distant past, the Greeks recognised the sweetness and charm of childhood.

Coming to later times, we have some very pretty old English lullabies, and this is not to be wondered at. The first attempt at song from human lips must have been a lullaby, and the first idea of metre must have been suggested by the rocking of an infant in his mother's arms or in a cradle. What mother is there who does not croon some soft song as she lulls her little one to sleep? It is not so much that she believes that the music will send him to sleep any sooner, but because the little song expresses all the loving thoughts she feels for her precious little babe.

Such are the thoughts running through William Blake's well-known Cradle Song:

Sweet dreams, form a shade
O'er my lovely infant's head!
Sweet dreams of pleasant streams
By happy, silent, moony beams!

Sweet sleep, with soft down
Weave thy brows an infant crown!
Sweet sleep, angel mild,
Hover o'er my happy child!

Sweet smiles, in the night
Hover over my delight!
Sweet smiles, mother's smile
All the livelong night beguile.

Sweet moans, dovelike sighs,
Chase not slumber from thine eyes!
Sweet moan, sweeter smile,
All the dovelike moans beguile.

Sleep, sleep, happy child!
All creation slept and smiled.
Sleep, sleep, happy sleep,
While o'er thee doth mother weep.

Sweet babe, in thy face
Holy image I can trace;
Sweet babe, once like thee
Thy Maker lay, and wept for me;

Wept for me, for thee, for all
When He was an infant small.
Thou His image ever see,
Heavenly face that smiles on thee!

Smiles on thee, on me, on all,
Who became an infant small;
Infant smiles are His own smiles:
Heaven and earth to peace beguiles.

Then we have that wonderfully expressive poem *Sweet and Low* by Tennyson:

Sweet and low, sweet and low,
 Wind of the Western sea;
 Low, low, breathe and blow,
 Wind of the Western sea!
 Over the rolling waters go,
 Come from the dying morn, and blow,
 Blow him again to me;
 While my little one, while my pretty one, sleeps.

Sleep and rest, sleep and rest,
 Father will come to thee soon;
 Rest, rest, on mother's breast,
 Father will come to thee soon.
 Father will come to his babe in the nest,
 Silver sails all out of the West
 Under the silver moon:
 Sleep, my little one, sleep, my pretty one, sleep.

And lastly I must be allowed to quote that lovely Cradle Song by Isaac Watts, in which the mother in looking at her baby is reminded of the Infant Jesus as he lay in the manger at Bethlehem :

Hush! my dear, lie still and slumber;
 Holy angels guard thy bed!
 Heavenly blessings without number
 Gently falling on thy head.

Sleep, my babe; thy food and raiment
 House and home, thy friends provide;
 All without thy care and payment,
 All thy wants are well supplied.

How much better thou'rt attended
 Than the Son of God could be,
 When from heaven He descended
 And became a child like thee.

Soft and easy is thy cradle;
 Coarse and hard thy Saviour lay,
 When His birthplace was a stable
 And His softest bed was hay.

See the kindly shepherds round Him,
 Telling wonders from the sky!
 When they sought Him, there they found Him
 With His Virgin Mother by.

See the lovely babe a-dressing;
 Lovely infant, how He smiled!
 When He wept, the mother's blessing
 Soothed and hushed the Holy Child.

Lo, He slumbers in His manger,
 Where the honest oxen fed;
 Peace, my darling! here's no danger,
 Here's no ox a-near thy bed!

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May'st thou live to know and fear Him,
 Trust and love Him all thy days:
 Then go dwell for ever near Him,
 See His face, and sing His praise.

I could give thee thousand kisses
 Hoping what I most desire:
 Not a mother's fondest wishes
 Can to greater joys aspire.

The genius of Shakespeare, strange to say, has not given us any deep readings of child thought. With all his wonderful knowledge of human nature, he seems to have omitted from his plays any natural references to childhood. The only children introduced into his plays are pages, and they play a small part in his dramas, and leave no lasting impression on the mind of the reader. The only exception is in *King John*, where he gives us his only notable child character, but the words put in the mouth of Prince Arthur, touching though they be, are not natural to a child.

The scene in which Arthur pleads with Hubert against the decree of his cruel uncle will always be one of the most deeply moving passages of dramatic literature, but are they true to nature? His reply to Hubert's "I can heat it boy" is not the language of a child:

No, in good sooth; the fire is dead with grief,
 Being create for comfort, to be us'd
 In undeserv'd extremes. See else yourself;
 There is no malice in this burning coal;
 The breath of heaven hath blown his spirit out
 And strew'd repentant ashes on his head.

Wordsworth must rank amongst the greatest of childhood's poets. He was not in general a man whose writings betray great human sympathy, but he loved nature and children. His love for nature is so great that he makes us feel the sacredness of solitude. He takes us away from the strife of tongues, the jarring turmoil of city life, away to the quiet land of lakes, or to the still uplands where the only sound to be heard is the cry of the plover or the bleating of some wandering sheep. And as we read his poetry, the spirit of the moorland and mountain tarn takes possession of our inmost souls and we forget all else. But even greater than his love of nature is his love of childhood, and the glimpses we find in his poems of the "shadows of eternity" to be discovered in the child are wonderful indeed. I have room for only two extracts from his *Ode on Immortality*:

Our birth is but a sleep and a forgetting:
 The soul that rises with us, our life's star,
 Has had elsewhere its setting,
 And cometh from afar:

Not in entire forgetfulness,
 And not in utter nakedness,
 But trailing clouds of glory do we come
 From God, who is our home;
 Heaven lies about us in our infancy.
 Shades of the prison-house begin to close
 Upon the growing boy,
 But he beholds the light, and whence it flows,
 He sees it in his joy;
 The youth, who daily farther from the east
 Must travel, still is nature's priest,
 And by the vision splendid
 Is on his way attended;
 At length the man perceives it die away,
 And fade into the light of common day.

Thou, whose exterior semblance doth belie
 Thy soul's immensity;
 Thou best philosopher, who yet doth keep
 Thy heritage, thou eye among the blind,
 That, deaf and silent, read'st the eternal deep,
 Haunted for ever by the eternal mind—
 Mighty prophet! seer blest!
 On whom those truths do rest,
 Which we are toiling all our lives to find,
 In darkness lost, the darkness of the grave;
 Thou, over whom thy immortality
 Broods like the day, a master o'er a slave,
 A presence which is not to be put by;
 Thou little child, yet glorious in the might
 Of heaven-born freedom on thy being's height,
 Why with such earnest pains dost thou provoke
 The years to bring the inevitable yoke,
 Thus blindly with thy blessedness at strife?
 Full soon thy soul shall have her earthly freight,
 And custom lie upon thee with a weight,
 Heavy as frost and deep almost as life.

It is in our own day that poets have taken a fuller and more comprehensive view of children and childhood. As, for instance, in Longfellow's *Children* :

Come to me, O ye children!
 For I hear you at your play,
 And the questions that perplexed me
 Have vanished quite away.

Ye open the eastern windows,
 That look towards the sun,
 Where thoughts are singing swallows,
 And the brooks of morning run.

In your hearts are the birds and the sunshine,
 In your thoughts the brooklet's flow,
 But in mine is the wind of autumn,
 And the first fall of the snow.

Ah! what would the world be to us
 If the children were no more?
 We should dread the desert behind us
 Worse than the dark before.

What the leaves are to the forest,
 What light and air for food,
 Ere their sweet and tender juices
 Have been hardened into wood—

That to the world are children;
 Through them it feels the glow
 Of a brighter and sunnier climate
 Than reaches the trunks below.

Come to me, O ye children!
 And whisper in my ear
 What the birds and the winds are singing
 In your sunny atmosphere.

For what are all our contrivings,
 And the wisdom of our books,
 When compared with your caresses
 And the gladness of your looks.

Ye are better than all the ballads
 That ever were sung or said;
 For ye are living poems,
 And all the rest are dead.

Swinburne has brought all the power of his genius to sing the praises of childhood. Each act of the child has for that poet a message of joy. Hear the child's laughter; all other glad sounds of nature seem to him less sweet than this. He looks at a baby's eyes and hands and feet, and sees in them the essence of all beauty and all shapeliness.

But Swinburne, like William Blake and George Macdonald and many others, however instinct with beauty and sympathy their word-portraits of babies may be, have shown us only one type of child. Their children are all little luscious bits of humanity, hovering cherub-like around the goddess of love. They only require a pair of Cupid wings to soar to realms of endless day. It is left to other poets to reveal to us other types of childhood.

All the poets mentioned above speak of the child in a beautiful manner, but they leave the child speechless. They speak from without as it were, they praise the child, they admire him, and they give their own ideas concerning him and his future. But what has the child to say for himself? Here is a wonderland where all poets have lived in their own childhood, but which is lost sight of by many and forgotten in the march of time. Few poets have made the child speak his own

thoughts in his own words. Charles Kingsley gives us a beautiful example in his *Water Babies* :

I once had a sweet little doll, dears,
The prettiest doll in the world.
Her cheeks were so red and so white, dears,
And her hair was so charmingly curled;
But I lost my poor little doll, dears,
As I played in the heath one day;
And I cried for her more than a week, dears,
But I never could find where she lay.

I found my poor little doll, dears,
As I played in the heath one day;
Folks say she is terribly changed, dears,
For her paint is all washed away:
And her arms trodden off by the cows, dears,
And her hair not the least bit curled;
Yet for old sake's sake she is still, dears,
The Prettiest Doll in the World.

But above all other poets Robert Louis Stevenson has explored the child mind and relates the child experiences day by day. He does more than this. He weaves into the child's imaginings a subtle vein of pathos gathered from the knowledge and experience of maturer years. He is still a child all the time, whether exploring foreign lands up in the cherry tree, or marching at the head of armies in the land of counterpane, or hearing strange music as he goes by himself

All alone beside the streams
And up the mountain-sides of dreams.

Again, he lies abed listening to the noisy wind rushing past, not the wind, but a breathless horseman, speeding no one knows why or whither. All this he tells us in his delightful *A Child's Garden of Verses*. Stevenson makes his children speak in a natural manner; he tells us what they have been and will be; he preaches to us the best sermon possible, taking as his text the children he loved so well.

Poets with their finer sense and larger vision catch the radiance of the powers which enrich childhood. They help us to see the beauties of the æsthetic and spiritual powers which belong to childhood.

EDWIN H. GOMES.

CAPE TOWN AND ITS ENVIRONS

BY FIRTH CROSSLEY

THE day preceding our arrival in Table Bay was one that I shall never forget. We were literally rocked in the cradle of the deep, and frequently seemed in danger of rocking over. In the evening, however, we sighted Cape Lights, and then anchored off Robben Island. At daybreak next day we made for Cape Town.

It was a glorious morning. All were in excellent spirits, and eagerly on the look-out for the port. Many of the passengers, making their first visit, were full of the wonder that comes to men about to realise a long-cherished dream. Before we could distinguish objects with the naked eye field-glasses were brought into use, and passengers familiar with the Cape were pointing out to new visitors the various items of interest.

Table Mountain soon formed a distinct, striking background to the picture, while other mountains on either hand added to the marvellous effect of the scene. An attractive coast-line was seen in the direction of the Cape of Good Hope; great waves were breaking on the shore. Right in front stood the huge break-water erected by convict labour; the value of the structure was apparent, for the mighty waves were then dashing furiously upon it. A sudden turn carried us into the calm waters of Table Bay; the harbour opened magnificently to view; we at once realised the importance of this majestic seaport. The immediate foreground was filled with the masts of ships, but beyond and above still towered the mountains. Those heights so often formed a part of the pictures seen in and around the town that one soon began to love them. Their smiles and their frowns—mostly smiles—became a part of ourselves; their unique outlines will always be familiar to us.

Table Bay makes a delightful curve; whether one look from the bay landwards, or from the shore across its beautiful blue waters, the eye is charmed. The sunrises and the sunsets, as seen from the harbour, were inexpressibly glorious. It takes a considerable time to moor a great ship, so we had an opportunity

to thoroughly enjoy one of the most magnificent sights in the world.

Before leaving the steamer our attention was arrested by the blacks who were carrying coals into a ship opposite. These natives were the most uncivilised I saw anywhere, and as this was our first contact with them, I was extremely interested in all their movements. They were dressed in many ways; most were merely covered with a piece of canvas or sacking. I never watched a noisier lot of workmen. Their language is thrown out like a series of clicks or exclamations; the general effect reminded one of an English rookery. Many of these men come from far-distant places up-country, and are only anxious to earn sufficient money to purchase two oxen. According to the custom of their tribe, when a man can present two oxen to his proposed father-in-law he secures his bride. After the marriage the young man lives the life of a country gentleman; the burdens fall on the wife. Perhaps these poor fellows were made happy in their drudgery by the anticipation of their wedded bliss. At any rate, they gave a chuckle of pleasure as they emerged with their empty sacks.

On the day preceding our arrival there had been a severe storm of wind and rain; the roads were left in an awful state, being the worst I saw anywhere. Our first impressions of the town were certainly prejudiced by these shocking conditions. In the middle of the day the sun was intensely powerful, resulting in a speedy improvement of the ordinary streets. The roads to the docks, however, took much longer to recover—a tropical sun could not immediately render them respectable. On my second visit everything was as dry as snuff; the change was noted with pleasure.

Cape Town is situated on the West Coast, about thirty-one miles north of the Cape of Good Hope. It is a busy place, and still extending. Land was increasing in value, both in the town and the suburbs; buildings were being erected on every side. The climate is more moderate than that of any other coast town in the Colony. The average temperature is only 66° F. It just suited me in their winter, and I imagine I could also live there in the summer. If we include the suburbs, I should say the population will be fully 150,000. As in most capitals, there are invariably large numbers of visitors from the provinces. Most of the travellers from other countries spend a few days in the town and its suburbs. There are, of course, a great many blacks in Cape Town—in fact, one finds the natives everywhere.

The environs of Cape Town are extraordinarily attractive. Table Mountain literally seems to overhang the town. It is 3,550 feet high, and looks like one grand precipice. I saw higher

mountains, but none with such remarkable features. This mountain frequently has a cloud resting on its summit, called the "tablecloth." One of the finest views of the mountain was enjoyed on one of those beautiful moonlight nights for which South Africa is famous. The Lion's Head (2,180 feet) and the Lion's Rump, to the south and west; the Devil's Peak (3,270 feet), to the east, are also striking features of the vicinity.

The careful inspection of a colonial town will give a new meaning to everything in relation to it. I had no opportunity to observe the townsmen in their homes, but was most favourably impressed by their appearance in the streets and in their places of business. The people dressed in light and bright materials, and were quite up-to-date in the matter of style. The gentlemen I met proved pleasant and interesting companions.

At first the English visitor is struck by the somewhat monotonous houses and stores with their square even sides and flat roofs; yet when viewed as a part of the general landscape the effect was not displeasing to the eye. Many of the modern buildings have an exceedingly artistic effect. The new Post Office, employing about 600, would be a credit to any city in the world. The Standard Bank is also a noble stone structure. Traces of the Dutch occupation still obtain, but the town is rapidly assuming a more modern aspect. The suburban residences are quite picturesque.

The streets are long, and mostly intersect at right angles; nearly all are narrow. Adderley Street was a really fine thoroughfare, generally presenting a most animated appearance; Cape carts, cabs, omnibuses, and electric cars were seen in every direction. The city is the best general shopping centre in South Africa; some of the stores are extraordinarily well supplied with both useful and ornamental articles.

Cape Town, like all towns that grow slowly at first, has to be gradually adapted to present-day requirements. Many things are out of date. One cannot help wishing that his countrymen were gifted with rather more imagination. Seldom do we find courage to anticipate an expansion which in the nature of things is a practical certainty. The city has its cathedral, but the Colony can nowhere approach the mother country in church architecture. There is no link with a past. In vain we look for ruined abbeys and monumental cathedrals.

A gentleman from Port Elizabeth conducted me round the magnificent buildings of the Y.M.C.A. The rooms are open to all young men from early morn till late at night. Young men arriving in the colony readily find a friend and suitable advice. One of its agencies was a Labour Bureau, which had assisted hundreds in the search for situations. Other attractions are the

reading-room, parlour, gymnasium, refreshment rooms, etc. A valuable institution.

South Africa is an abundant field for the naturalist, and Cape Town boasts a splendid museum. I was particularly interested by the vast numbers of birds; some wonderfully tiny, others equally remarkable for their huge proportions. There were, I suppose, about 2,000 species. Mammalia, reptiles, fishes, and insects were also excellently well represented.

The Public Library, situated at the north end of the Botanic Gardens, is an imposing structure. In the open space in front there stands a fine statue of that grand man and unrivalled colonial pioneer, Sir George Grey. The library, which is open to the public without charge, is said to embrace every branch of literature. I was delighted with the general attractiveness of the shelves. Besides this public library, there are the Dessinian, Grey, and Porter collections.

I was, of course, most anxious to visit the Houses of Parliament, and accompanied some friends on a round of inspection. This stately pile, which cost £150,000, is most beautifully situated at the Adderley Street end of the Government Avenue. Being of pointed red brick-work with cement facings, the exterior has a delightful appearance. The interior will bear comparison with the best English structures. In the surrounding grounds terraces and paths are laid out; every approach is pleasurable. Although near to the heart of the city, the place is wonderfully free from racket and fret. A marble statue of Her Majesty the late Queen Victoria, raised by public subscription in commemoration of the Jubilee in 1887, stands at the north front of the buildings. The two Debating Chambers were roomy and well adapted for the purpose. Every requirement had been anticipated. The accommodation for the public was better than that which obtains in the English Houses of Parliament. Everything about the Houses of Parliament gave complete satisfaction.

The Botanic Gardens, which serve as a public park, were certainly one of the attractions of the town. About fourteen acres in extent, they contain 8,000 varieties of trees and plants. Here I began to form some idea what can be grown in an African winter. The Oak Avenue, running through the length of the gardens, a distance of about three-fourths of a mile, was a never-to-be-forgotten spectacle. When I first saw it the trees were bare; on my return they were clothed with their charming spring foliage. Smaller avenues ran parallel to the Oak Avenue, and many others crossed at right angles. Within the several squares were small plantations, flower-beds, and winding pathways. An immense variety of flowers were growing in the open; one wondered what the display would be like in summer. These

gardens were well provided with seats and sheltered nooks. Here one could quietly rest or chat with friends; whichever way the eye turned it was content.

On my first visit to the suburbs I was a member of a small party. Going by train we passed several attractive villages until, after half-an-hour's interesting run, the latter part of which was remarkable for its delightful scenery, we alighted at Wynberg station. The weather being gloriously fine, we decided to take the mountain drive *via* Constantia. A Cape cart, belonging to a Malay, waiting for hire, stood outside the station; we made a bargain and started without delay. Having heard glowing accounts of Wynberg, we were full of eager anticipations. First of all we proceeded down the wonderful Main Road, a really superb avenue. As we advanced our admiration knew no bounds. It was the most unique place we had ever seen; even to-day it stands out as a place to itself. Passing avenue after avenue, the scenery gradually became more rustic, but everywhere charming. One avenue that I particularly recollect was formed of eucalyptus or blue-gum trees, a tree exceedingly common in South Africa. This tree is an evergreen, and noteworthy for its rapid growth. In Australia the eucalyptus reaches a maximum height of 300 feet, with a circumference of 30 to 40 feet. I heard an extraordinarily tall story about the size of these Australasian trees, but as the dimensions were altogether beyond my comprehension I dare not attempt to repeat it. While the blue-gums of Africa never attain the above proportions, those at Wynberg were very tall indeed. The leaves of this tree exhale a camphor-like odour, of which fact I became sensible as we rode along; the zephyrs were perfectly agreeable and wonderfully refreshing. We are indebted to the eucalyptus for a medicinal preparation, supposed to be efficacious in intermittent fevers. It is also supposed to have a marvellous power of preventing malaria. When the Russian influenza was prevalent in England there was quite a boom in eucalyptus oil at the Cape.

Our drive soon led us through a small stretch of wooded country, where the road was nothing more than a narrow opening with all the charm of a primitive sylvan pathway. Filled with amazement, one was forcibly reminded of the Garden of Eden. Turning once more into open country, we made direct for Constantia.

The vineyards of Constantia, which were first planted in the latter part of the seventeenth century by a detachment of the French Huguenots, are held in the highest estimation; as I had never previously seen anything of the kind, I was all attention. The plants, seemingly about the size of gooseberry bushes, were arranged in rows or terraces. Lime had been freely spread

on the land; natives were then at work among the plants. Although I did not see the vines to the best advantage, I certainly gained a more intelligent idea what they were like. The climate of this part of the Colony excels that of any other country for viticulture. Nowhere in the world can there be found a productive power equal to that of the vineyards of this neighbourhood. It is generally conceded that Cape grapes are worthy of the highest praise, being superior to those of Europe.

After leaving Constantia we began to ascend the slopes of Table Mountain; if our ponderous cart now moved at a slower rate, we had all the more time to enjoy the striking prospect. Here, in a secluded spot, I saw the orange-tree; even then the fruit adorned the trees. Our attention was drawn to the silver-tree, which grows abundantly in the vicinity, but I did not find it in any other part of the Colony. The outer side of the leaf has a smooth silvery sheen, and its delightful effects are increased by the brilliant sunshine of that land. Hand-paintings are sometimes done on these leaves, which make pretty souvenirs. This locality was enormously rich in flora.

Still climbing, with an ever-increasing outlook, we ultimately reached a shoulder of Table Mountain, whence we enjoyed the finest view of all. This being our turning-point, we wandered about on foot, allowing the horses a well-earned rest. Immediately to the north towered the great mountain, which we strongly longed to climb. To the south were several mountains, mostly bare and rugged. Looking inland, we saw a magnificent stretch of country, bounded some thirty or forty miles away by a lofty range of mountains. In the distance we could easily distinguish False Bay, and beyond that the glorious sea. Turning round to the west, another impressive landscape opened before us. Not so extensive as the eastward view, it was far more striking, because of the rugged grandeur of the heights and the sudden dip of the kloofs.

In due course we started on our return drive, calling shortly after noon at a neat but lonely cottage. Here we were deeply impressed by the kindness and hospitality extended to us because we were from "home." Resuming our drive, we varied the route whenever possible. On reaching Wynberg we now made a closer inspection of its lovely gardens and bright cottages. We hoped some "Ruskin" would preserve this garden suburb from the desecration of the fortune hunter. The residents were evidently aware of its loveliness, for they had appropriately supplemented, by light touches, the work accomplished by nature on a grander scale. We returned by train to the seaport, and looked back on a day full of new and varied pleasures.

One morning I joined a party who were paying a visit to

"Groote Schuur," the residence of the late Cecil Rhodes, at Rondebosch. Going from Cape Town by electric car, we had only a short distance to walk. The house was approached from the main road by a very fine avenue. We were delighted to learn that Mr. Rhodes gave South Africans the run of this private estate; but his generosity was sometimes abused. There were no passes to secure, nor did any one interfere with us; we just wandered about at our pleasure. The estate was charmingly situated at the foot of Table Mountain, within easy reach of the city, yet far enough from its bustle and noise. "Groote Schuur" was really an old-fashioned Dutch farmhouse. Mr. Rhodes made additions, but the style was maintained. The grounds were quite rustic; little had been done to beautify them. The delicate touches, so noticeable in our best English parks, were lacking; nevertheless there were several noteworthy natural features—the grounds were full of possibilities.

Everything we heard about Mr. Rhodes increased our admiration for the man. He made mistakes, but few men made more candid acknowledgments. His great services to South Africa, and indirectly to the whole commercial world, are now recognised by all fair-minded men. He was probably the best and most powerful friend of the natives. He stood for unity of interests, based on equal rights for every civilised man south of the Zambesi. His name will be gratefully remembered when the names of some of his detractors are lost in oblivion.

After a walk through an adjoining wood, we returned by car to Cape Town. It was a pleasant excursion, and we gladly recall the home and surroundings of one of the most remarkable men of our times.

FIRTH CROSSLEY.

GAME IN EAST AFRICA PROTECTORATE

DURING the past year there has been an increase in the number of game licences in the East African Protectorate, as will be seen from the following table:—

	1911-12	1912-13
Sportsman's licence	83	96
Resident's licence	154	230
Resident's 14 days licence	108	87
Landholder's licence	173	216
Special Elephant licence	83	85
Special Giraffe licence	16	26
Traveller's licence	356	440
Total	973	1,180

The full £10 resident's licences have increased in number, while the fourteen days' £2 resident's licences have decreased. This is a healthy and welcome sign. The following comparative table shows the revenue and expenditure of the Game Department for the past nine years:—

Year.	Revenue.	Expenditure.
1904-05	£ 6,223	£ 115
1905-06	7,013	127
1906-07	7,060	207
1907-08	7,560	1,805
1908-09	6,071	1,459
1909-10	8,869	2,422
1910-11	10,666	2,539
1911-12	7,941	2,788
1912-13	9,560	3,490

The stock of game in the Southern Reserve is quite satisfactory, and no disease among game has been reported during the year. A small herd of elephants spent some months in the neighbourhood of the Ol Gerei River and Mount Ol Doinyo Erok on the Anglo-German border. It has not been necessary to undertake expeditions to exterminate lions, but they are numerous in several parts of the reserve not far from the railway line. The Magadi Railway, now almost completed, has had little effect upon the game, with the exception of rhinoceros. Of these a

considerable number have been killed to protect life and property by the railway construction and pipe line parties. This was inevitable, owing to the dangerous nature of the animal, and it must be remembered that besides the number, amounting to eleven, actually known to have been killed since the construction of the line was commenced, there must be a considerable number who have been wounded and died in distant parts of the reserve. The most important event during the year has been the formation in German East Africa of a corresponding game reserve adjoining the British one.

As far as is known the stock of game in the Northern Reserve is satisfactory. It never contained such large numbers of variety as the Southern Reserve, but there are undoubtedly far more elephants, rhinoceroses, buffalo, and greater kudu than in the Southern Reserve, while several species of game animals inhabit the Northern Reserve not found in the Southern Reserve. On the whole the prospects, condition, and stock of the game in the Protectorate are very satisfactory. But one outbreak of disease has been reported during the year. This occurred in the Nairobi District, in the forests between Nairobi and Kiambu. The only animals known to be infected were bushbuck (*Tragelaphus*), and of these considerable numbers died. The disease was expected to be rinderpest, but the veterinary pathologist made a series of inoculations from infected bushbuck into susceptible animals without obtaining any reaction, and, although no infected bushbuck were obtained while alive, the experiments showed pretty conclusively that the disease was not rinderpest. No domestic animals were known to have become infected. A marked feature of the disease was the appearance of a purulent eruption on the ring of bare skin usually found on the necks of all bushbuck. The disease remains unidentified, and has now apparently disappeared.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

It has been a very troubled month for the Stock Exchange. Apart from the nervousness engendered by the disturbed political conditions at home and across the Atlantic, the stock markets themselves have been involved in speculative difficulties. Many weak operators have had to be given assistance, and in one case, in which Canadian railway securities were particularly concerned, the danger of a gravely critical situation was averted only by the transfer of heavy commitments to interests strong enough to carry them until they can be liquidated under more favourable market conditions.

Amid these disturbing conditions, Colonial Government securities have still shown a firm front, and it is only in Canadian railway securities that any big fall has occurred among the stocks and shares tabulated here.

While Indian Government securities have been somewhat depressed, the railway stocks have been strengthened by favourable dividend prospects and they show little or no change on the month. At least one of Calcutta's important industrial companies shows no sign of any diminution in prosperity as a result of the transfer of the seat of Government to Delhi. The report of the Calcutta Electric Supply Corporation shows a net revenue for the

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
3½% Stock (t) . . .	91,211,186	1931	88½	31½	Quarterly.
3½% " (t) . . .	66,292,782	1948	75	4	
2½% " Inscribed (t)	11,806,337	1926	63	31½	"
3½% Rupee Paper 1854-5	..	(a)	95½	3½	30 June—31 Dec.
3½% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee Investments.
 (a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	74½	4
Bengal and North-Western (Limited)	3,000,000	8	100	153	5½ ² / ₅
Bengal Dooars, L.	400,000	6	100	103½	5½ ² / ₅
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	6½	100	115	5½ ² / ₅
Burma Guar. 2½% and propn. of profits	3,000,000	5	100	108	4½ ² / ₅
Delhi Umballa Kalka, L., guar. 3¼% + } net earnings	800,000	10	100	186½	5½ ² / ₅
East Indian Def. ann. cap. g. 4% + ½ } sur. profits	1,697,154	6½	100	98½	6½ ² / ₅
Do. do, class "D," repayable 1953 (t)	4,852,846	5½ ⁵ / ₈	100	119½	4½ ⁵ / ₈
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	74	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ¾ surp. profits 1925 (t)	2,575,000	5½	100	100	5½ ² / ₅
Madras and South Mahratta	5,000,000	5	100	114	4½ ² / ₅
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	97	5½ ² / ₅
Do. 3½% red. mort. deb.	1,063,300	3½	100	80	4½ ² / ₅
Rohilkund and Kumaon, Limited	400,000	8	100	154½	5½ ² / ₅
South Behar, Limited	379,580	5	100	103	4½ ² / ₅
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	164	6½ ² / ₅
Do. 3½% deb. stock red.	500,000	3½	100	81	4½ ² / ₅
West of India Portuguese Guar. L.	800,000	5	100	92	5½ ² / ₅
Do. 5% debenture stock	550,000	5	100	101	4½ ² / ₅
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China	60,000	17	20	63	5½ ² / ₅
National Bank of India	80,000	16	12½	42	4½ ² / ₅

(t) Eligible for Trustee investments.

past year of £127,100 against £110,200 for the preceding year. The Ordinary dividend is raised from 8½ to 9 per cent., the reserve receives an addition of £5,000, the appropriation for depreciation and renewals account is £42,000 against £35,000, and the carry-forward is increased to £7,400.

It is particularly gratifying at the present juncture in Canadian affairs to find the Bank of Montreal exhibiting such strength in its latest half-yearly report, made up to April 30. The deposits amounted to \$310,982,483, an increase of \$4,430,116, while the liquid assets stand at \$139,579,557 against \$120,512,081. In fact, the liquid assets are 60·87 per cent., and the cash in hand 10·45 per cent., of the liabilities to the public. The half-year's profits amounted to \$1,212,750, apart from the balance of \$1,046,217 brought forward. After providing for dividends and bonus at the usual rate of 12 per cent., and for bank premises to the extent of \$200,000, there remained an increased surplus of \$1,098,968 to be carried forward.

Grand Trunk Railway affairs have attracted special interest

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	94	3½ ³ / ₈	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	91	4½ ¹ / ₈	1 June—1 Dec.
BRITISH COLUMBIA					
3% Inscribed Stock .	2,045,760	1941	78	4½	1 Jan.—1 July.
MANITORA.					
4% Regd. Stock . .	1,915,000	1950	92	4 ⁷ / ₁₆	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	93	4 ⁷ / ₁₆	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	84	4½	1 Jan.—1 July.
ONTARIO.					
3½% Regd. Stock . .	1,200,000	1946	87	4 ⁵ / ₁₆	1 Jan.—1 July.
QUEBEC.					
3% Inscribed	1,897,820	1937	81	4 ⁵ / ₁₆	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,098,492	1951	90	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	94	5	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	91	5½	1 Jan.—1 July.
Montreal 4%	2,400,000	1948-50	92	4 ⁷ / ₁₆	1 May—1 Nov.
Quebec 4% Debs. . .	384,700	1923	96	4½ ³ / ₈	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5½	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	95	4 ⁹ / ₁₆	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	90	4½ ³ / ₈	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4 ⁹ / ₁₆	1 Apr.—1 Oct.

* Yield calculated on latest date.

during the past month, partly in connection with the serious market conditions produced by the heavy fall in the stocks. Apart from this, however, keen discussion has been aroused by the negotiations regarding the provision of the necessary capital to complete and equip the mountain section of the Grand Trunk Pacific. Coming as it does immediately after the arrangements between the Canadian Northern and the Dominion Government the application of the Grand Trunk Pacific Company for further assistance in the form of additional Government guarantees has been viewed with misgivings by some people. In the case of the Canadian Northern the granting of further assistance was accompanied by drastic conditions with regard to

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	% 10	\$100	199½	5
Do. 4% Preference	£15,173,563	4	Stock	92	4 ⅞
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	99	4
Grand Trunk Ordinary	£22,475,985	nil.	"	18½	nil.
Do. 5% 1st Preference	£3,420,000	5	"	98x	5 ⅞
Do. 5% 2nd "	£2,530,000	5	"	85x	5 ½
Do. 4% 3rd "	£7,168,055	2½	"	40x	6 ½
Do. 4% Guaranteed	£12,215,555	4	"	80x	5
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	112	4 ⅞
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	87	4 ⅞
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	246	4 ½
Bank of British North America	20,000	8	50	77	5 ⅞
Canadian Bank of Commerce . .	200,000	12	\$50	£21½	5 ⅞
Canada Company	8,319	50s. per sh.	1	21½	11 ⅞
Hudson's Bay	1,000,000	50	1	9	5 ½
Trust and Loan of Canada . . .	100,000	8½	5	6½	6 ½
Do. new	25,000	8½	3	3½	7 ⅞
British Columbia Elec-Def.	£1,440,000	8	Stock	113	7 ⅞
tric Railway . . .)Prefd.	£1,440,000	6	Stock	106	5 ½

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds	2,178,800	1941-7-8*	88	4 ⅞	} 1 Jan.—1 July.
8% Sterling "	325,000	1947	78	4 ⅞	
4% Inscribed Stock	320,000	1913-38*	100	4 ⅞	
4% " "	417,313	1935	101	4	
4% Cons. Ins. "	200,000	1936	99	4 ½	
3½% Inscribed, 1910	800,000	1950	90	4 ⅞	

* Yield calculated on latest date.

Government control, and, in certain contingencies, actual expropriation.

But the case of the Grand Trunk Pacific is different. Its future is bound up with the parent Grand Trunk Company itself. With this company's resources behind it, there is not the necessity for such safeguards as were imposed on the Canadian Northern.

At the half-yearly meeting of the Grand Trunk Company—the last of the half-yearly series as in future meetings will be held only once a year—Mr. Alfred W. Smithers, the chairman, said

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	103	3 $\frac{1}{8}$	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	96	4	
3% " " (t)	12,475,800	1935	85	4 $\frac{1}{8}$	
VICTORIA.					
4% Inscribed, 1885 .	5,959,500	1920	102	3 $\frac{1}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,981,750	1921-6†	96	4	
3% " (t) . .	5,211,331	1929-49†	81	4 $\frac{1}{8}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	102	3 $\frac{1}{2}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	97	4	
3% " " (t)	4,274,213	1922-47†	81	4 $\frac{1}{8}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	100	4 $\frac{1}{2}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,283,200	1916-7-36†	100	4	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	98	4	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	89	4 $\frac{1}{2}$	
3% " " (t)	2,760,100	1916 † or after.	75	4	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	92	4 $\frac{1}{8}$	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t)	3,750,000	1915-35†	87	3 $\frac{3}{8}$	
3% " (t)	2,500,000	1927†	91	4	
TASMANIA.					
3 $\frac{1}{2}$ % Inscdbd. Stock (t)	4,156,500	1920-40†	92	4 $\frac{1}{8}$	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	100	4 $\frac{3}{8}$	
3% " " " (t)	450,000	1920-40†	82	4 $\frac{3}{8}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

that the next great event to which the company was anxiously looking forward in connection with the Grand Trunk Pacific was the linking-up next September of the western section built by the company with the eastern section built by the Government and known as the National Transcontinental Railway. That will give through communication via Cochrane and North Bay with the whole of the old Grand Trunk Railway system in Eastern Canada. All the big cities and manufactories of the East would be brought into direct communication for the first time over the Grand Trunk Pacific, the National Transcontinental Railway and the Grand Trunk Pacific with Manitoba, Saskatchewan, Alberta, and British Columbia and the Pacific coast.

Thanks to the favourable prospects for trade in the Commonwealth, the prices of Australian securities have been generally

firm during the month, the stocks of most of the industrial and agricultural companies having enjoyed some advance.

Another big issue of stock has been placed by New South Wales, which has been a rather frequent borrower in London during the past year or two. The issue consisted of £3,000,000 of 4 per cent. stock offered at 99. The stock is redeemable by 1962 at the latest, with option to the Government to redeem it within the preceding twenty years on six months' notice. The prospectus contained the reassuring statement that New South Wales stock domiciled in London is not, and will not be, subject to income tax in New South Wales, or to death duties in that State. The loan was raised for permanent and reproductive works, including equipment and additions to existing railways and tramways, construction of new railways and tramways, improve-

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	99	4½	1 Apl.—1 Oct.
Do. City 4% Deb. }	850,000	1915-22*	98	5½	
Melbourne Trams Trust 4½% Debs. }	1,650,000	1914-16*	102	4⅜	1 Jan.—1 July.
S. Melbourne 4½% Debs. }	128,700	1919	102	4⅜	
Sydney 4% Debs. . . }	300,000	1919	100	4⅜	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff	12,000	5	5	5½	4½
Do. 4½% Irred. Deb. Stock	£130,900	4½	100	92	4½
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	122	5⅞
Bank of New South Wales	125,000	10	20	43	4½
Union Bank of Australia £75	60,000	14	25	59	5½
Do. 4% Inscribed Stock Deposits . . .	£600,000	4	100	99	4
Australian Merc. Land & Finance £25	80,000	15	5	7½	10⅞
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	94½	4⅞
Dalgety & Co. £20	154,000	8	5	6⅜x	5½
Do. 4½% Irred. Deb. Stock	£509,749	4½	100	101	4⅞
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced	£994,105	4	100	85½	4½
Do. B Income Reduced	£667,983	5	100	96½	5½
South Australian Company £15	14,200	£4	£4	64½	6⅞
Trust & Agency of Australasia	54,979	12½	1	1½x	10
Do. 5% Cum. Pref. Stock	1,000,000	5	100	103½	4½

x) Ex dividend.

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101½	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,778,302	1929	100	4	1 May—1 Nov.
3½% Stock (t)	17,568,932	1940	92	4½	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	82	4	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb.	200,000	1934-8*	106	4½	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	101	4½	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	10½	4½	—
Do. 4% Gua. Stock‡	£1,000,000	1914	99½	4½	April—Oct.
Christchurch 6% Drainage Loan.	200,000	1926	110	5½	30 June—31 Dec.
Lyttleton Hbr. Bd. 6%	200,000	1929	108	5½	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	102	4½	
Do. 5% Debs.	200,000	1928	101	5	
National Bank of N.Z. £7½ Shares £2½ paid	300,000	div. 13%	5½	6½	Jan.—July.
Oamaru 5% Bds.	173,800	1920	99	5½	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	104	4½	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	102½	—	1 Mar.—1 Sept.
Do. 6% Waterworks	130,000	1929	111½	4½	1 Mar.—1 Sept.
Do. 4½% Debs.	165,000	1933	99	4½	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	98	4½	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.
 † £6 13s. 4d. Shares with £3 6s. 8d. paid up.
 ‡ Guaranteed by New Zealand Government.

ments to Sydney Harbour and other harbour works, water supply and sewerage and water conservation and irrigation.

New Zealand has been represented among the month's new issues by an offer at par of £200,000 of 5 per cent. Debentures of the Gisborne Harbour Board. The existing debt of £243,380 will be extinguished by sinking funds in hand and by the new loan, which will thus be the only debt of the board.

During April there was an increase in the average daily production of gold from the Transvaal, though not so much as to make up any appreciable proportion of the heavy decline that the output shows when compared with that for the corresponding period of last year. This statement gives the monthly output for several years past.

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . . .	2,768,470	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836
February . . .	2,660,186	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892
March . . .	2,917,346	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498
April . . .	2,904,924	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804
May . . .	—	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699
June . . .	—	3,173,882	3,202,517	2,907,854	2,655,602	2,621,818
July . . .	—	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965
August . . .	—	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646
September . . .	—	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760
October . . .	—	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902
November . . .	—	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146
December . . .	—	2,857,938	3,297,962	3,015,499	2,722,775	2,569,822
Total * . . .	11,250,926	37,358,040	38,757,560	34,991,620	32,002,912	30,925,788

* Including undeclared amounts omitted from the monthly returns.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Consolid. 4% Stock (t).	8,000,000	1943-63	93½	4½ ₈	1 Mar.—1 Sep.
CAPE COLONY.					
4½% Bonds	£ 181,600	dwgs.	101	4½ ₈	15 Apr.—15 Oct.
4% 1883 Inscribed (t)	3,636,395	1923	100	3½ ₁₆	1 June—1 Dec.
4% 1886 " "	9,596,166	1916-36*	100	4	15 Apr.—15 Oct.
3½% 1886 " (t)	14,890,744	1929-49†	92	3½ ₈	1 Jan.—1 July.
3% 1886 " (t)	7,484,740	1933-43†	82	4½ ₈	1 Feb.—1 Aug.
NATAL.					
4½% Bonds, 1876	758,700	1919	103	3½ ₈	15 Mar.—15 Sep.
4% Inscribed (t)	3,013,444	1937	101	3½	Apr.—Oct.
3½% " (t)	3,714,917	1914-39†	91	4½ ₈	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	82	4	1 Jan.—1 July.
TRANSCAAL.					
3% Quardt. Stock (t)	35,000,000	1923-53†	93	3½ ₈	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
£					
Bloemfontein 4%	763,000	1954	92	4½ ₈	1 Jan.—1 July.
Cape Town 4%	1,851,850	1953	95	4½ ₈	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4½ ₈	30 June—31 Dec.
Johannesburg 4%	5,500,000	1933-4	92	4½ ₄	1 April—1 Oct.
Krugersdorp 4%	72,535	1930	89	5½	1 June—1 Dec.
Pietermaritzburg 4%	814,855	1949-53	91	4½ ₈	30 June—31 Dec.
Port Elizabeth 4%	369,068	1964	91	4½	30 June—31 Dec.
Pretoria 4%	1,146,500	1939	92	4½ ₈	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	93	4½ ₈	1 Jan.—1 July.

There was a further increase in the native labour supply for the gold mines during the month. The growth was small, but the fact that it compared with a diminution for the corresponding month of last year made the return more encouraging than would otherwise have been the case. This table shows the course of the native labour supply month by month since the beginning of last year.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1913 .	8,774	200,090	January 1914 .	4,190	154,202
February " .	7,572	207,662	February " .	3,471	157,673
March " .	71	207,733	March " .	5,142	162,815
April " .	2,309*	205,424	April " .	2,190	165,005
May " .	7,780*	197,644	—	—	—
June " .	8,550*	188,094	—	—	—
July " .	17,852*	170,242	—	—	—
August " .	12,019*	158,223	—	—	—
September " .	5,586*	152,637	—	—	—
October " .	3,755*	148,832	—	—	—
November " .	1,313*	147,569	—	—	—
December " .	2,443	150,012	—	—	—

* Net loss.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	89	5 $\frac{2}{8}$
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . . }	£1,931,800	5	100	93 $\frac{1}{2}$	5 $\frac{5}{8}$
Trans-African 5% Debs. Red.	£1,843,800	5	100	80 $\frac{1}{2}$	6 $\frac{3}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	8	5	5 $\frac{3}{4}$	6 $\frac{1}{8}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{1}{2}$	8
National Bank of S. Africa £10	132,130	6	10	11 $\frac{7}{8}$	5
Standard Bank of S. Africa £20	309,705	14	5	11 $\frac{1}{2}$	6 $\frac{3}{8}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{7}{8}$	6 $\frac{3}{4}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	11 $\frac{1}{8}$	9
British South Africa (Chartered)	8,937,559	nil	1	7 $\frac{7}{8}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	101 $\frac{1}{2}$	4 $\frac{7}{8}$
Natal Land and Colonization	68,066	7	5	4	8 $\frac{3}{4}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2	—
Kimberley Waterworks £10	45,000	5 $\frac{3}{4}$	7	6 $\frac{1}{2}$	6 $\frac{3}{8}$

Another record output was shown by the last monthly return of the gold produced from Rhodesia. The monthly production is now little short of £300,000 and constitutes a substantial proportion on the gold arriving in London from South Africa. The following table gives the monthly Rhodesian returns for several years past.

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . . .	249,032	220,776	214,918	207,903	227,511	204,666
February . . .	259,888	208,744	209,744	203,055	203,888	192,497
March . . .	273,236	257,797	215,102	231,947	223,385	202,157
April . . .	295,907	241,098	221,476	221,296	228,213	222,700
May . . .	—	242,452	234,407	211,413	224,388	225,032
June . . .	—	241,303	226,867	215,347	214,709	217,600
July . . .	—	249,301	240,514	237,517	195,233	225,234
August . . .	—	250,576	239,077	243,712	191,423	223,296
September . . .	—	250,429	230,573	225,777	179,950	213,249
October . . .	—	247,063	230,072	218,862	234,928	222,653
November . . .	—	239,036	225,957	214,040	240,573	236,307
December . . .	—	254,687	218,661	217,026	199,500	233,397
Total . . .	1,078,063	2,903,267	2,707,368	2,647,895	2,569,201	2,623,788

The other minerals produced from Rhodesia during the month comprised 11,404 ounces of silver, 14 tons of lead, 25,241 tons of coal, 3,041 tons of chrome ore and 61½ carats of diamonds.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	83	4½	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4½	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . . .	1,076,100	1934	101	4	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	82	4½	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . . .	1,099,048	1934	101	4	15 Feb.—15 Aug.
Do. 3½% ins. (t) . . .	1,493,600	1919-49†	89	4½	24 Jan.—24 July.
Mauritius 3% guar.) Great Britain (t) . . .	600,000	1940	92	3½	1 Jan.—1 July.
Do. 4% ins. (t) . . .	432,390	1937	99½	4½	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	89	4½	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	100	4½	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	73	4½	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . . .	120,000	Div. £4½	£82	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,044,900	3	99	93	3½
" Unified Debt	£55,971,960	4	100	99	4
National Bank of Egypt	300,000	8	10	14½	5½
Agricultural Bank of Egypt, Ordinary	496,000	6	5	4½	6½
" " " Preferred	125,000	4	10	7½	5½
" " " Bonds	£2,350,000	3½	100	80	4½

(t) Eligible for Trustee investments.

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MAN AND HIS PLANET: THE PROBLEM OF INDIA

By G. H. LEPPER

THE three great racial problems confronting the world's statesmen are, the position India and the Indians are to occupy in the British Empire; the adjustment of the relationship between the White and Yellow races in the countries bordering on the Pacific Ocean; and between Whites and Negroes in Africa and the New World. The first of these questions may be divided conveniently into two sections—the future development and governance of India itself, and the status of Indians in other parts of the British Empire. In the present article the aspect of India as it exists to-day and the apparent trend of events in the great peninsula which is the home of three-fourths of the King-Emperor's subjects will receive attention. For, although both phases of the problem interact closely, they are sufficiently distinct to be susceptible of independent treatment and can, indeed, be best handled separately but with an ever-present remembrance of their intimate relationship to one another.

A German newspaper recently instituted a referendum amongst its readers in order to ascertain what, in the opinion of present-day men and women, are the seven wonders of the world. In the circumstances it was not to be expected that any of those taking part should suggest that the history of the British in India was entitled to a place in the list. It may safely be said, however, that those who have a genuine appreciation of the facts would feel little hesitation in including the conquest and retention of India by a mere handful of Europeans in any similar catalogue of the great marvels of modern times.

India has been the scene of many alien invasions. In fact, since the beginning of its authentic history it has been periodically conquered by foreigners who have established themselves as the ruling caste, thereafter to wax, grow fat and wane and

finally to go down in their turn before some fresh and more vigorous intruder. Is the story of the British Raj to end in like fashion, or will the westernisation of Hindustan lead to a re-birth of the Indians themselves, either accompanied by or without a successful effort on their part to free themselves of alien rulers? It may be that the final decision of the Fates has yet to be given regarding the future of India. But the portents indicate that, even though the issue be still open, the time of choosing is very close at hand, and it behoves all who are anxious to see the connection between India and Britain persist to do all in their power to smooth existing causes of friction and to prevent the occurrence of fresh racial disputes between the White and Brown Aryan peoples, or, in other words, between the citizens and the subjects of the Empire. Under present political conditions it is necessary to draw the distinction, for it is useless to shirk the fact that, in spite of tags which suggest the contrary, equality as between different classes of British subjects has no existence in the Empire when the colour factor is present.

The population of British India and the Feudatory Native States is now something like 320,000,000. Taking the adult male population as one-fifth of the total we obtain 64,000,000 as the number of men. Reducing this number by one-half to eliminate the aged and unfit the number of able-bodied male inhabitants works out at 32,000,000. Yet to hold this vast horde in check there are but 80,000 British troops available—or one for every 426 able-bodied Indian men. The total white population of India inclusive of military is not more than 185,000. It is possible, moreover, that the foregoing estimate of India's male population of fighting age is too low. In the United Kingdom there are at least 500,000 regulars and territorials in an adult male population of about 10,000,000. To make the comparison identical in terms the latter figure must be cut in half. We then have 500,000 trained soldiers to 5,000,000 civilians of fighting age or a proportion of one in ten. It is fairly certain that the regular and territorial forces in the United Kingdom would be taxed to the uttermost to maintain communications and keep order in the event of a general strike—a not impossible contingency. What then would happen in India if a universal revolt should break out with odds so tremendous against the tiny white garrison? One can only hope for the best and fear greatly. In a recent article in the *Daily Mail*, entitled "Holding an Empire with a Corporal's Guard," Mr. Lovat Frazer wrote :

No nation in history has ever attempted such a terrific task with such a handful of men. Yet it is calculated, I hope rightly, that, come what may, Britons in India will be able to keep open the main lines of railway and hold the great cities and arsenals until succour reaches them.

What might be expected if our hands were tied by a great European war, and no succour could be sent?

Hitherto the religious difference which divides the Indians into two principal camps has been a useful bulwark of the British power. The Indians are very unequally divided, the Hindus and those who profess other faiths of indigenous origin greatly outnumbering the Mahomedans, but the numerical inequality is largely counterbalanced by the superior military ability of the Mussulmans, who have, so far, been less inclined to agitate against British rule than their Hindu compatriots. The recent misfortunes of Turkey and the failure of the British to take any action to prevent the annexation of Turkish territory by Christian States have weakened the loyalty of the Mahomedan Indians to some extent. Also, there have been signs of late that Nationalism is beginning to influence the Muslim community. Some time must elapse before accord between Hindus and Mahomedans is attained, but there are grounds for believing that the two communities are travelling along paths which are converging slowly, and will finally coalesce without excessive friction.

Many factors are combining to produce this result. Long years of peace under British rule have probably weakened the old animosity to some extent, and the zeal for proselytising, particularly at the point of the sword, is a less conspicuous feature of Mahomedanism than it was in the younger days of that militant faith. The ties of commerce and the spread of education both make for the growth of a more tolerant spirit the world over, and even the fiercest of creeds has come under their influence, though it still retains a good deal of its original fervour for making converts or corpses in portions of Africa.

The treatment of Indians in South Africa, British Columbia and the United States is also having its effect in the slow process of welding the Indian peoples into a single nation. A large proportion of the Natal Indians are Mahomedan Tamils from Madras and merchants of the same faith from the Bombay Presidency. The Indians who have gone to Western America are mostly Sikhs or Hindus. Hence members of both the principal Indian creeds have had occasion to feel that they are regarded by white subjects of their Emperor as inferior beings, and a common sense of injustice can hardly have failed to draw them closer together. At the same time the experiences of Indian emigrants have indicated that the British Government is not the all-powerful entity they had formerly imagined it to be, since it is unable to secure equality between its white and brown subjects in the Dominions. This, then, is a matter which requires the best attention of the Empire's statesmen, but its many difficulties and the allied problem of finding a suitable

outlet for India's surplus population may be left for further consideration in the next article. For the time being the future of India itself will fully occupy attention.

First it will be well to state some of the essential elements. The area of British and Native India is 1,802,657 square miles. At the time of the last (1911) census the population was 315,156,396. Of this number roughly 70,000,000, or 22·5 per cent., were residents of the Native States. The average density works out at 175 to the square mile, or almost the same as that of Europe without Russia—an area of very similar extent. But, as in Europe, the density varies enormously, and one-third of the inhabitants live in one-eleventh of the total area. The fact that India is still mainly an agricultural country means that the density is governed mainly by the fertility and cultivability of the soil.

The 70,000,000 Indians who are not directly governed by the British are subject to the rule of native princes, some of whom are really progressive administrators, while others prefer to govern on old-fashioned lines. There are in all 676 Native States, varying in size from Hyderabad, with its 82,698 square miles (about as large as the island of Great Britain) and 13,375,000 inhabitants, to tiny principalities comparable in extent to Andorra or San Marino. Taking into account the Presidencies and Provinces directly under British rule, it will be seen that there are nearly 700 separate administrations in India, apart altogether from the purely local governmental subdivisions. Nor does the diversity of conditions end here. The Indian Empire includes members of nearly 2,380 different castes and 147 distinct languages are spoken. There is also an extraordinary variety of religious beliefs. Hindus of many sects, Mahomedans, Buddhists, Sikhs, Jains, Parsees, Jews, Animists and all the principal Christian denominations by no means exhaust the list.

Of the 315,000,000 individuals enumerated at the last census only 18,600,000 were literate, in the sense of being able to write a letter and read the reply. Of the total male population, roughly 1 in 10 can read and write, the proportion in the case of females being only 1 in 100. A much larger proportion is partially literate. The number of persons with a knowledge of English was 1,700,000. In every 10,000 persons of each sex, 95 males and 10 females can read and write English. The Parsees, although only a small community, can boast a larger proportion of English-speaking persons than any other religious unit, the ratio in their case being as high as 1 in 3. At the other extreme are the Animists, of whom only 2 persons in 10,000 possess English. Buddhist Burma can show 222 literates in every 1,000 of the population.

Only slight study of these details is required to show that India has still far to travel before it can advance a genuine claim to be regarded as a national unit. The diversity of race, religion and language, and the backwardness of the great majority of Indian women, are all potent factors at present operating to prevent any general uprising against the British, even though discontent and sedition were much more rife than is actually the case. But the effect of all is being weakened steadily as time goes on. Racial barriers are disintegrating, religious feuds are losing their vitality, and the spread of English is providing a common medium of communication where Hindustani does not already serve as such. The emancipation of Indian women proceeds more slowly, but here, too, progress is taking place. So that although for the time being the position of the British in India may be fairly secure, it is not too early to anticipate the day when some or all of the factors named will have ceased to influence the situation and to lay the foundations for a more solidly based connection between the Indian Empire and the larger political aggregation, of which it forms the most populous part.

Apart from the resentment produced by the discrimination against Indians in the Dominions, what are the chief causes of the prevailing unrest in India? At the outset of any attempt at a reply it must be pointed out again that it is chiefly Hindu India which is concerned in the seditious occurrences of the past few years, and the Bengal Presidency appears to have been the principal nursery of agitation, which was partly stimulated, no doubt, by the partition of Bengal during Lord Curzon's viceroyalty. In the opinion of many thoroughly competent observers the educational system in force must shoulder its share of the responsibility. The Bengali student has a parrot-like aptness for memorising, and finds it easy to cram his head with the necessary matter to enable him to pass examinations without really knowing much about the test subjects. The idea has grown up that the passing of an examination entitles the successful candidate to a Government position—else why trouble to pass the examination? says the examinee—and disappointment at failure to secure a reward of this kind has apparently done much to feed the ranks of Nationalist agitators and anarchists. Again, considerable numbers of Indian students visit England and spend some years at a university or reading for the Bar. In the course of their residence in this country they inevitably acquire current Western political ideas, and on their return to India they naturally lend their assistance to the movement for the establishment of parliamentary institutions in their own country, regardless of the fact that such institutions depend for their successful working on the

existence of a reasonably enlightened electorate, which is still lacking in India, and is likely to remain so for a long time to come. From certain experiences of the writer a few years ago, he was led to the conclusion that the Indian student community in England is streaked with sedition to a much greater extent than is generally realised.

Another source of trouble may be traced to the arrogant behaviour of some of the Europeans who make their home in India, and it has been asserted that the modern civil servants are not wholly above criticism in this respect. Yet whatever grievances Indians may nourish against their white rulers, and some of their complaints are doubtless perfectly legitimate, the advantages the country has derived from the British occupation must, by all impartial observers, be held to outweigh all opposing considerations. Security of life and property have been substituted for a state of affairs in which neither could be said to be over safe at any time, and both were frequently in peril. Religious practices have hardly been interfered with at all, widow-burning being one of the few customs which have been actively suppressed. (Only the other day a widow immolated herself in Calcutta, and native opinion appeared to approve of the act. Occurrences of this kind are useful as a reminder that India is still Oriental at heart, in spite of all the attempts of the Bengali agitators to prove that the country is ripe for parliamentary institutions.) Magnificent public works, a vast railway network and elaborate irrigation schemes, which have removed the fear of famine from large areas in which its periodic ravages were formerly attended by fearful privation, stand as monuments to the beneficence of British rule. It is perhaps too much to expect gratitude for actions which probably have a greater value in Western than in Eastern eyes, but even so, not a few of the more enlightened Indians certainly realise that their country really does owe something to ours. Unfortunately they are vocally in a hopeless minority. Far more largely do the partly educated agitators figure at the present day.

Sir Frederick Halliday, the Commissioner of Police in Calcutta, recently declared that a criminal conspiracy undoubtedly did exist amongst the better classes. Just what these better classes expect to gain by their anarchistic efforts it is difficult for an occidental student to perceive. It might be supposed that many of them must be well enough aware that the withdrawal of British rule at this stage would inevitably lead to a recrudescence of religious warfare. Yet for reasons which do not appear, and could hardly appeal to Europeans if they were less invisible, the Anarchists, whose existence in Bengal and the Punjab has been only too plainly manifested by the series of out-

rageous crimes which has occurred in the past few years, are engaged in a campaign which, if successful, could only lead to some such result. Certainly they are not unique in adopting such an apparently unreasoning course of action. The Russian *mujik* is hardly more fitted for government on parliamentary lines than is the Indian *ryot*. Yet the Nihilists have carried on a very similar warfare against the established system of government in the Tsar's dominions to that in which the disaffected Bengalis and Punjabis are now engaged. One point worth noting emerges from the comparison. It is that Europe has no monopoly of that phase of human perversity which sees in Terrorism a universal panacea for administrative ills, real or imaginary. There are many convinced Nationalists in India who pursue their aims in a perfectly legitimate and constitutional manner. There is also, unfortunately, a growing coterie of foes to all established order, whose members are animated by precisely the same type of insanity as the bomb-throwers of Europe.

While we may, and indeed must, endeavour as far as possible to satisfy the desires of the genuine Nationalists, though probably at a slower rate than they would wish, there can be nothing but the sternest repression for their fellow-countrymen to whom Anarchy and not Nationalism is the loadstone. There appears to be some difference of opinion as to whether the Government is really going the right way to work in its efforts to put an end to sedition of the virulent type. The Indian Press Act of 1910, which contains drastic clauses empowering the infliction of heavy penalties on journalists who happen to come under the unfavourable notice of the Government and the suppression of their papers, has caused a lot of ill-feeling and does not seem to have had much effect in the direction intended. Indeed, legislation of this type savours rather of sitting on the safety valve—a proceeding which usually leads to a catastrophe sooner or later. At a conference recently held in London, organised by the Nationalities and Subject Races Committee, the Indian Press Act in question was generally condemned and a resolution in favour of agitating for its repeal was carried. Indications have been apparent of late that the spread of disaffection in India has produced a somewhat nervous state of mind in official circles, with the customary result of inducing a hesitating sort of policy which alternates between the opposite extremes of repression and conciliation. In view of the extraordinary difficulties with which the Indian administrations are faced criticism is, however, both ungenerous and open to the retort that unless accompanied by suggestions as to the proper course to be followed, it is not particularly valuable. It may be permissible, nevertheless, to mention the dissatisfaction which has been expressed with regard to the conduct of recent

conspiracy and dacoity trials—notably the one known as the Faridpur case, in which the accused were let out on bail, with the result that they were able to intimidate the witnesses for the prosecution and thus entail the collapse of the trial. Farces of this kind have an even more deleterious effect on the attitude of the populace toward the law in the East than they would have in this country. Once the notion that crime will be followed by swift retribution is seriously weakened our position in India will become rapidly untenable.

There is one feature of British rule in India which can hardly fail to escape modification in the near future. This is the control of the fiscal policy of the Indian Empire by the dominant party in Home politics. Lancashire cotton spinners—who are, in the last resort, the arbiters of the Indian import tariff—can hardly hope to remain for very much longer in this privileged position. It is not to be expected that they will surrender their present advantages without severe pressure being put upon them, but they may as well begin to make up their minds to the change, which is one of those which may be postponed for a time but cannot be eternally prevented. The indications are, indeed, that the time is comparatively near when the sacrifice must be made if certain grave risks are to be avoided. The future prosperity of India is largely bound up with the industrial progress of the country, and this can hardly take place at its proper rate until more fiscal independence is accorded. It should be remembered in this connection that capable students believe that if the industrial life of India were better developed the country could carry a much larger population than it is able to as a country in which agriculture is the occupation of the great majority of the inhabitants. The importance of this hardly needs emphasis. It may be said, however, that the need of an outlet for surplus population would be removed for an indefinite period. The extension of irrigation works will also help to enable India to support a denser population in regions which are liable to periodical droughts.

Regarding the future political development of India it would be rash indeed to do more than indicate in the broadest possible way the road which it may follow. Consequent on the spread of education the time may come when a suitably modified form of parliamentary government will be workable, at any rate for provincial administrations, in spite of a notable utterance by Lord Morley in the House of Lords in 1908, in the course of which he said: "If my existence either officially or corporeally were prolonged twenty times longer than either of them is likely to be, a Parliamentary system in India is not at all the goal to which I would for one moment aspire." So far as can be seen at present

there are almost insuperable difficulties in the way of an autonomous Indian unit, occupying a position in the British Empire analogous to that of the self-governing Dominions. Not the least of these is the existence of the hundreds of Native States whose rulers are jealous of one another and disinclined towards any course which might lead to even the appearance of weakening their personal authority and prestige. Whether in time there will be a transfer of the provinces now directly administered by the British to native rulers or whether they will continue for an indefinite period to be controlled by Governors sent out from England is one of the questions which must be left for time to answer. The central authority must, unless things should go very wrong indeed from the British point of view, remain largely controlled by the Viceroy and his white advisers.

The day is, to all appearances, far distant when the British central authority could safely be replaced by a purely native government, if sufficient unity will ever be manifested by the different races, principalities and religions, to permit of even the initiation of an all-Indian administration. Those who are working for the overthrow of the British should remember that it is just as true to-day as it has ever been that only the presence of the British will suffice to keep Russia out of India—more so in fact owing to the extension of the Central Asian railway system almost to the borders of Afghánistán—and native agitators must be singularly blind to their own interests if they can view with approval the transfer of the control of India from the hands of one of the most enlightened World Powers to those of the most reactionary of all. Aid from Japan might indeed be obtained at a price, but Indians should ask themselves whether their position would be in any way improved if they were dependent on the military assistance of the Japanese for protection against the Northern Colossus. The experience of the Koreans suggests the contrary. A time may come—those who take into consideration only the population statistics, and not the character and mental attitude of the peoples of India, would probably use the word “must” in this connection—when the military strength of a native India will be sufficient to repel attack from any quarter without aid from Britain or Japan since, like the United States, India is sufficiently self-contained to be practically invulnerable as regards an attack from the sea. But that day is still too far below the horizon to be a fit subject for more than philosophic speculation at the moment.

In any attempt to forecast the future of India the fact should not be lost sight of that present indications do not lend a great deal of support to the belief that India will ever be a Christian country. As the result of two centuries or more of missionary

activity, rather more than one per cent. of the population of India is nominally Christianised, and this small fraction is drawn for the most part from the lowest castes, whose inferior social status as Hindus was doubtless not without effect in persuading them to abandon their former faith. Comparatively few Mahomedans have been converted to Christianity. An amusing feature of the religious situation in India is the hostility which is being manifested by the Eurasians—or, as they prefer to style themselves, the “Anglo-Indian community”—towards native Christians. In a recent issue of the *Anglo-Indian Review* a contributor was most indignant at an alleged invasion of the ranks of the “Anglo-Indians” by low-caste Christian converts who, he asserted, pass themselves off as Eurasians and thereby bring discredit on the “Anglo-Indian community.” One of the remedies advocated was that ministers should be prohibited from bestowing European names on natives baptised by them and should be compelled to state the race of the newly baptised person’s parents!

The Christian community will certainly grow in numbers, but it may well be doubted whether it will ever rival even the Mahomedan division numerically. The tide appears to be setting in a different direction. Due in part, perhaps, to the attention paid by Europeans to Indian religions and philosophies and to the work that is being done by the Central Hindu College at Benares to direct the youth of India towards the study of their ancient faith, the religions of India, freed from their grosser idolatrous accretions, seem to be entering on a new lease of life. When it is realised that the alternatives are not a reformed Hinduism and Christianity, but a reformed Hinduism and the crudest type of Western materialism, in the case of the higher castes of India, even devout Christians may be willing to admit that a victory for Hinduism is the lesser evil. On the other hand, those Europeans who have found in the transcendental philosophies of India a rich store of intellectual food, which has enabled them to harmonise the physical facts discovered by modern science with a deeply spiritual conception of the universe—and the number of such debtors to Indian thought is increasing fairly rapidly in the Western world—will feel no regret at the apparent trend of Indian religious life. It would certainly seem that Hinduism must be purged of the caste system before India can make much material progress on Western lines. The disappearance of the caste system and the emancipation of women will take a long time, but both are far from being impossibilities.

One of the greatest needs of present-day India would appear to be a radical revision of educational methods. The training of *babus*, a large proportion of whom are destined to swell the ranks of the professional agitators, through lack of other avenues in

which to employ their accomplishments, is an evil which ought to be treated at the root with as little delay as possible. In technical education and in the improvement of Indian universities, which will obviate the necessity of sending young students to England to complete their professional training—itself a highly disturbing experience—it may be hoped that a solution will be found for many of the problems connected with education. In this matter, as in all others affecting a mass of 320,000,000 people, of widely different creeds and speaking scores of tongues, it is easier to suggest remedies for existing defects than to put them into practice. Yet the problem ought not to be insoluble.

If moderate Indian opinion is studiously considered and deferred to when possible, if more fiscal liberty is granted, and, above all, if some fair *modus vivendi* regarding the rights of Indians residing in other parts of the Empire can be arranged, there would seem to be a fair prospect of the gradual progress of India towards its national destiny as an integral unit of the British Empire. It is idle to ignore the fact that the waters through which this ponderous craft must be steered are plentifully studded with dangerous rocks, and all the available statesmanship of the British race will have to be brought to bear on the undertaking. It is a task for Titans, but, with all its difficulties, it is not inevitably a losing game, nor is there reason to be unduly pessimistic as to the result.

G. H. LEPPER.

FOREIGN AFFAIRS

BY DIPLOMATIST

THE COMING PARTITION OF PERSIA

THE international horizon is clouding over once again. Both in the Far and in the Near East the sky is getting darker. The barometer is falling in Persia and in the Balkans, and unrest is manifesting itself in a way that forbodes trouble. In Albania Sir Edward Grey's reputation is at stake, while in Persia the situation is even more critical, involving as it does the possibility of an early change in the administration of that country.

It was thought by many persons that the Anglo-Russian Convention of 1907, if it did not solve the Persian problem, would at any rate have settled things for some time to come. For my own part, although prepared to give the experiment a fair trial, I never shared the view so generally entertained. How could an arrangement by which Persia was to be divided into three zones possibly assist in maintaining its integrity? The very fact of splitting up Persia was altogether opposed to the initial principle of unity. From the first the arrangement has been a failure, and the chief occupation of the Russian and the British Governments has been hiding the failure from each other and more particularly from the peoples of both nations. The latter task was found easy of accomplishment in Russia, but it has proved very difficult here. For the time being, however, Sir Edward Grey has managed to play off the advantages of the *entente* against the encroachments of Russia in Persia and the interruption of British trade in the South. But a storm is brewing, and must soon burst. Things cannot go on as they are. It is no use saying but for Russia and Great Britain Persia would long ago have lapsed into a state of anarchy. We all know that. But was it to prevent anarchy in Persia that we became a party to the present arrangement? Was not the Convention brought about primarily for other purposes? It is true that Lord Kitchener gave it as his opinion that it would be unwise to extend the boundaries of the British sphere of influence in Persia, as he did not see his way to defend a greater area of territory, but it is idle to deny that the buffer State principle loomed large in the diplomatic mind. Naturally, if the Persian Government had

fallen in with the policy outlined jointly by Russia and Great Britain the position would not have been as it is to-day. But the Persian Government has not done so, nor ever intended to do so.

That we have kept within the terms of the 1907 Convention will not be denied, but whether the Convention has brought any advantage to Persia and the Persians is exceedingly doubtful. Zones or spheres of influence introduce new difficulties, and internal strife and disorder soon became general both in the north and in the south of Persia. Russia lost no time in taking the matter in hand so far as concerned her own sphere, and as that sphere contained Teheran it soon meant that the control of Northern Persia passed into the hands of Russia. Troops poured into Northern Persia, and a permanent force called the Persian Cossack Brigade has for some time policed that district. In the South similar disorder manifested itself, and at times we have found it necessary to resort to military operations on the coast. For the protection of the roads and commerce a Persian gendarmerie has been called into being, trained and led by Swedish officers. But this gendarmerie has always been under Persian control; the Cossack Brigade, on the other hand, owes allegiance alone to Russia.

In fact there is the rub. A recent despatch sent from Teheran by the *Times* correspondent in that city says: "The situation in Azerbaijan is going from bad to worse. The Persian central authority is flouted both by the Governor-General and by the Russian officials. A proclamation which was recently posted up at Tabriz by Shuja-ed-Dowleh to the effect that he was about to take the collection of the taxes out of the hands of the Belgian revenue officials and would revive the system of farming out the taxes, by which the bulk of the taxes would be lost to the central administration, has since been carried into effect. One Persian Treasury official was imprisoned, but has since been released. The commander of the Cossack Brigade openly repudiates the authority of the Persian Government, inasmuch as he refuses to act except at the instance of the Russian Consul-General Orloff. It is further announced that the Russian Post Office system is about to be inaugurated in Azerbaijan. The Persian Government is taking steps to secure the removal of Shuja-ed-Dowleh, though in a province overrun by Russian troops the central authority is not likely to be effective towards attaining this end."

Later despatches from the same source indicate pretty clearly that matters have in no way improved; in fact the financial position is rapidly assuming a serious phase, and if money is not forthcoming to pay the gendarmerie what is likely to be the fate of British trade in Southern Persia?

As regards the neutral zone—in which, let me say, this

country has very important interests—little or no attempt has been made by Persia to preserve order, with the result that the inhabitants own no authority and pursue a course of living that may be appropriately expressed as go-as-you-please. Even the Persians themselves admit that reform is urgently necessary, although they may not approve of reform that brings in its train the abandonment of the principle of integrity. On the other hand, Russia, to judge from her attitude since the signing of the Convention, has no particular desire to preserve Persia as an entity. Sir Edward Grey, however, to judge from his recent statements, is still opposed to any alteration of the understanding in that direction, and in this view he is strongly supported by his own party and by many members of the Opposition. We all remember the visit of the Russian Foreign Minister, although exactly what his mission was we were never informed. At the time I ventured to hazard it was not altogether unconnected with the suggestion that the moment had arrived for the partition of Persia. I still hold that opinion, and am strengthened in my diagnosis by the fact that immediately after the visit was concluded Sir Edward Grey was even more loud in his determination to maintain, in any event, the integrity of Persia. But if M. Sazonoff failed then, would he fail now? One thing is certain: we cannot allow the neutral zone to remain unprotected, neither can we hand it over to the control of Russia. It would seem, therefore, that there must be a new understanding between Russia and ourselves, and if that be so, the question of partition can hardly escape discussion, nor do I see how its adoption can be avoided.

THE OIL CONTRACT

And this brings me to the new experiment in State trading in which the Government propose soon to embark, if they have not already done so. I allude to the contract entered into for a supply of oil to the Navy with the Anglo-Persian Oil Company. The Government issued an elaborate blue book explaining the reasons for this unusual departure, and attached to it a map and a chart. But neither the one nor the other gave us any very special geographical or topographical information, and such information as was given was very much out of date, if it did not come within the category of ancient history. The story of the company was also somewhat obscure, and if it had not been for the cross-examination of the First Lord of the Admiralty and the Secretary of State for Foreign Affairs by question and answer across the floor of the House of Commons many interesting details would have escaped attention. In explaining his policy to Parliament the First Lord made a most unfair and ungenerous

attack on a rival company, accompanying the attack with an allusion to trusts which greatly comforted the soul of the Labour Party, although there seemed considerable doubt as to whether his facts were quite as accurate as he wished his audience to assume them to be.

But this is not the opportunity to go at length into the financial or commercial side of the undertaking; a few observations, however, on these counts may not be altogether untimely. The First Lord seemed anxious to let the House know that the undertaking he was putting the taxpayers' money into was likely to prove a very lucrative concern. Subsequent questions, however, elicited the fact that a certain number of loans had to be paid off, and that the parent company, by name the Burmah Oil Company, had guaranteed the interest on the preference shares, while the debentures have to be redeemed in 1920. These liabilities, and there are others, together with the necessity of setting aside a sum annually for amortisation purposes, would seem to require a good deal more capital than the Government are taking powers to provide. As to the commercial side we have yet to be told how the by-products are to be garnered and brought to market, although an ingenious allusion was made concerning profits on a sliding scale. But I take it we must wait and see.

Similarly we must wait and see what will be the effect of the new venture on the present political arrangement in Persia. As far as one can gather the company are now getting their oil from a field in the neutral zone, and certainly a goodly part of the concession is situated in that sphere. The First Lord has since told us he looks to the British sphere for his main supply. But in any event if we are to rely on the Persian fields for a supply of oil for the Navy we shall have to see they are properly and adequately protected. This means doing something more than we are doing now.

I notice the Russian Press are discussing the future position with some interest, but as I have already said, I see no reason to suppose that Russia would oppose any change that would make her position in Northern Persia more secure. I agree with the Foreign Secretary that we must take some risk if we want oil, and readily accept the statement that Persia offers every opportunity for obtaining the kind of oil we require for the Navy. But to run the risk of having so important a supply cut off at the crucial moment is hardly business. The Government must see this, and although it may perhaps alter the view taken by Mr. Ramsay Macdonald and his followers as to the fitness of the contract, I should not be surprised to see some further step taken with a view of protecting British interests in Southern Persia.

In other words the contract with the Anglo-Persian Oil

Company involves more important issues than those appearing on the surface. In my opinion it will reopen the whole Persian question, and reopen it at no very distant date. I will go further and say that in the next arrangement with Russia the principle of integrity will undergo a change and the partition of Persia will begin.

GERMANY, TURKEY AND ENGLAND.

Early next month we may expect to see the result of the negotiations that have been in progress for some time between ourselves and Germany, ourselves and Turkey, and Germany and Turkey. Papers concerning the first two treaties will be presented to Parliament, and in a covering statement Sir Edward Grey promises to review the terms on which the negotiations have proceeded.

One may say in advance that these papers will disclose one of the greatest diplomatic achievements in our time. Naturally one wishes to give as much credit as possible to Sir Edward Grey, but in a case of this kind, where so many interests are involved, it is only fair to say that honours are divided. The German Foreign Office has worked equally hard and equally harmoniously, as the British Foreign Office and the Turkish Government have also met the proposals that have been made from either side with every desire to secure a friendly and a permanent understanding. The treaties deal with all the commercial and political questions relative to British, German and Turkish interests in Mesopotamia and the Persian Gulf, as well as to the Bagdad and other railway ventures which have for their basis the opening up of Asiatic Turkey. It has been finally settled that the Bagdad railway shall have its terminus at Basra, and that if the Persian Gulf section is ever built the undertaking is to receive the combined sanction of Great Britain, Germany and Turkey. The policy of international participation in the financial arrangements of the Bagdad railway, which, it will be remembered, was rather pressed by Germany in the old days, has been abandoned and Great Britain is to come in as and when she wishes. Probably the financial side will be left to private enterprise.

That this country, Germany and Turkey should have come to so amicable an arrangement is to be commended. It indicates that the relations between ourselves and Germany have reverted back to the old footing and paves the way for a permanent bond of friendship such as cannot fail to make for peace and prosperity. Much fault may be found with the Government as regards their domestic legislation, but the foreign policy of Sir Edward Grey in respect to Germany and Turkey deserves all praise. Fortune has been on his side, and a general desire to

avoid friction has been a feature of international politics for some time past. But, after all is said and done, great credit must be given to the Secretary of State for Foreign Affairs for accomplishing so much in so short a time. Three German ambassadors have taken a hand in bringing to a conclusion the new arrangements regarding Mesopotamia and the Persian Gulf, and the continuity of policy pursued owes not a little to the wisdom and sagacity of his Majesty the German Emperor. Throughout these proceedings his hand has been at the helm, and the fact that the ship has been brought at last safely into port is in no small measure due to the part he has played in the steering.

GERMAN AMBASSADOR AT OXFORD

There was a great gathering in the Sheldonian Theatre to see the German Ambassador receive the honorary degree of Doctor of Civil Law conferred on him by the University of Oxford, and at a dinner given to celebrate the occasion the Ambassador made a most impressive and eloquent speech, from which I take leave to reproduce a few quotations.*

“Great events have happened during these hundred years. (The ambassador was alluding to the time that had elapsed since the Emperor William’s great-grandfather had received a similar honour at the hands of Oxford University.) The balance of power has been shifted, and as a result the grouping of the Powers has also been changed. But the goal towards which the British and the German peoples were aiming in those stormy times after years of fighting, and which is still their aim to-day in the unclouded atmosphere of civic progress, has remained the same. Then, as now, our Monarchs joined hands to maintain peace and to protect civic industry. Then, as now, both British and German policies were in agreement in the endeavour to secure for their peoples the blessings of undisturbed intellectual and economic development. In those days Goethe still lived ; Schiller had been dead only a few years. The period of intellectual development and literary growth had preceded the period of political progress and the mighty awakening of Germany to the consciousness of her nationality. Our great poets had contributed towards arousing a sense of the ideals of mankind in the German people. By their immortal works they had greatly enhanced the intrinsic value of German culture and thus helped to found the proud sense of nationality.

“The more German science and literature are studied in Britain and British science and literature in Germany the more will the intellectual possessions and values of both nations become their common property, and both nations be drawn nearer to one

* The Ambassador spoke in German, and I am indebted to the *Morning Post* for the excellent translation of the speech.—ED.

another in their inner lives. The foundation of a mutual appreciation, by the possession of the same ideals and a community of culture and ethics will be widened, and in this way the Universities will also help forward political aims. Therefore I cannot sufficiently express my pleasure in seeing numbers of my youthful fellow-countrymen gathered here this evening whose mission it will be some day to help the German people to an understanding of British feeling and British customs, and to spread among us a knowledge of the ideals which give to British culture its distinctive character, and which thus govern the soul of the British nation.

“Cecil Rhodes recognised the compatibility of British and German political needs, he recognised that there was a place in the sun for both, and he was further convinced of the near relationship of British and German culture, I may say of their mutual completion. He thought that the Teutonic race on the foundation of Latin culture was fitted as was no other race to fulfil the mission of Western European civilisation. He expressed this idea when he founded the scholarships to which we owe the presence here of many young Germans. Cecil Rhodes, it is true, was above everything an Englishman, but his political and philosophical views were not bound by national prejudices and narrow political limits, nor did he belong to those idealogues who, with mistaken humanitarianism and philanthropy, would give to all races of mankind the same political rights to assert themselves according to their own laws and desires. He was of opinion that in the case of the whole of mankind the law held good that the fittest will survive. He believed that mankind develops according to its law and not according to discretion. I am of opinion that the roots of political ethics are to be found in the recognition of this law, in the extension and the dominance of the most powerful and superior races, whose success must simultaneously benefit and improve the whole of mankind. Cecil Rhodes was of opinion that the whole of humanity would be best served if the Teutonic peoples were brought nearer together, and would join hands for the purpose of spreading their civilisation to distant regions.”

During the month we have also been honoured by a visit from another distinguished German, Herr Dernburg, late German Secretary of State for the Colonies. Herr Dernburg is one of Germany's strong statesmen. He has travelled extensively both in the German colonies and in the British Dominions. What he says about colonial administration is founded on personal knowledge and practical experience. He not only speaks English fluently, but fully understands and appreciates the English character. During his stay with us he accepted an invitation to a luncheon given by the London Chamber of Commerce to the members of the Berlin Society of Merchants and Manufacturers

now touring this country mainly with the object of getting into close touch with business men here. In the course of a most able and informing speech he paid many kindly tributes to our country and to our countrymen, and gratefully acknowledged to a large and representative audience what he was pleased to call the debt which in several instances he claimed was due from Germany to Great Britain.

HERR DERNBURG'S SPEECH

“When the representatives of Berlin industry and trade come to London, they know that in a way they come as scholars of their great masters in the organisation and development of international trade. In order fully to understand the position I beg to be permitted to go back a few decades, and to call to your minds a situation which the older members of both bodies assembled here will probably very well remember.

“Up to the year 1870 there were Germans, but there was no nation; there were ports, but no hinterland; there were intelligent minds, but no scope for them; there was a Fatherland, but no unity, either of laws or international communications, and trade was hemmed in on all sides by a multitude of small States, each jealous of its rights and short-sighted as to a more comprehensive policy. Since the war of 1866 placed a purely German State, Prussia, to the front, and since the war of 1870 afforded full proof of the force and vitality of the unification created by Bismarck, things have, of course, considerably changed. But before that time, enterprising Germans, in quest of some larger field of action, could not find it at home, and it was notably England that offered them her hospitality and the commercial and industrial possibilities they were looking for.

“Speaking from my personal experience, I can tell you that in my own family—coming from a very small State in Southern Germany—no less than four big houses in the City of London and in the great County of Lancashire have sprung up and prospered, and these relatives of mine have not only become well-to-do and happy in their new surroundings, but have also become good and loyal British subjects, contributing not only by their wealth but also by their public-spirited conduct to the greatness of this Empire. I mention this because my heart is full of thanks to England, and any number of German families are in the same position; if you look through the trade directory of any town of importance in this Kingdom you will find numerous useful British citizens of German descent. Thus the web woven by combining private interests in both countries has created an enormous stream of commercial intercourse between the two nations, and the two

biggest mutual customers in the world—giving and taking—are the United Kingdom and my own country.

“When Germany had become strong enough to acquire overseas possessions of its own, it was again the English who, by their example, statesmanship and experience, gave Germany the best help. Whenever I was in difficulty as to how a certain colonial problem ought to be handled, I have found a solution in the study of British methods, and I am pleased to record here my most sincere thanks for the kindness and friendly interest I have received in these matters both from the central authorities in London and from the statesmen in the British possessions in Africa and elsewhere.

“My travels have taken me through a number of British possessions. I have seen the Cape, Natal, the Transvaal and Orange River Colony, as well as Zanzibar and the British East Africa Protectorate. I have seen how you have been able to transform the British Uganda Protectorate into a territory of most prosperous cotton-growing, and I have learned the importance of a proper treatment of the subject races. I know from history how much blood and money it has cost the English nation to gather the experience which has always been most fully placed at my gratuitous disposal.

“Three years ago I had the great honour of being the guest of the Royal African Society, and had the good fortune to address some remarks to that eminent body. We then all agreed on the solidarity of interest between all white, dominating nations, as against the subject races, and we emphasised the fact that the advantage of one was the advantage of the other; that the aborigines were not able to distinguish between one white man and another; that our domination depended on the prestige of our colour, and that any loss of such prestige by one nation would be gravely detrimental to the other. We then promised each other to uphold this solidarity of interest, and I am glad to state that we have been true, both of us, to that pledge.

“It is now almost a century since Blücher wrote to his wife those touching letters full of enthusiasm at the reception accorded to him here after the great common feat of combined German and British arms.

“We are now in a similar, but more peaceful, joint enterprise—that of preparing the coloured man for culture and civil liberty, creating and supplying new wants for him, and by extending our dominion giving him the blessings of our scientific knowledge, our medical experience and more perfect organisation. Thus are we engaged, to the mutual advantage of our trade and commerce, in one of the greatest tasks that the civilised world has yet had before it.

“There is a third point I should like to make. When in the

year 1806 the old German political fabric broke down under the Napoleonic onslaught, it was felt that the old bureaucratic system could not be relied upon any longer to regenerate the nation, and it was again England to whose institutions the eyes of far-sighted statesmen were turned; hence, we in Germany are indebted to your country for the great institution of self-government which entrusts to the citizens the administration of the measures adopted by the legislative bodies, and enables the government of a great people by elected representatives. If now you go to the greatest German cities and observe their order and prosperity, you may know how large a share in this achievement is due to our adaptation of the superior power of organisation of the English.

“There are two great questions confronting us, and which will probably have the greatest influence on the development of the big European nations all through the present century. The one I have already alluded to, the question of how to deal with all mankind of darker colour—how to retain our hold and domination over them whilst at the same time fulfilling the cultural trust imposed upon the more advanced peoples to improve the condition of the backward races. The other is the all-pervading question of social reform, the great aim of which is—whilst preserving the old and tried social order—to better the condition of the less fortunate classes by eliminating want and misery, reconciling the people to their station in life and making them useful workers and good citizens.

“Also in this matter—which is of supreme importance to the prosperity of trade and commerce—we are working hand in hand. In some matters England has had the lead for many years; I refer to your Factory Acts and other measures in that direction. In others, Germany has come to the fore, as, for instance, in being first to introduce compulsory insurance against the evils of disability, old age and loss of supporters. When I had the pleasure of presiding, three weeks ago, over a great mass meeting of trade unionists in Germany (there were about 6,000 assembled)—a meeting convened to welcome a deputation of 100 British employees and working men—the speakers on the German side were but too glad to recognise the great services that English legislation and public spirit had performed in the great matter of social reform.

“So you see the numerous ways in which the future of our two great nations is bound up with good mutual understanding; and the larger and more intimate our mutual interests become the more urgent is the necessity for creating organisations in which the interests of the two nations can be fairly and equitably arranged.

“England and Germany are the great competitors in the

shipping business of the world; when their interests began to clash, international conferences were held here, arrangements concluded and satisfactory solutions arrived at. I am sure, and as far as the German side is concerned I can say on good authority, that whenever such differences arise in future they will be settled and arranged in the most friendly spirit, giving due weight to the interests at stake on both sides. When, two years ago, all England shuddered under the impression created by the loss of a great liner and thousands of lives, I am glad to say that Germany was the first to ask your Government to convene in the City of London an international conference for the better protection of life and property on the high seas. The question of the safety of the merchant marine when carrying contraband in times of war is another big issue in which England and Germany—as the two greatest ship-owning nations—are equally interested, and it is my sincere wish that this question also will be settled by mutual understanding.

“I am glad to say that political relations between our two countries have attained that normal state which permits both to regard events without mistrust. And it is well to remind ourselves what great help England and Germany have rendered to the arbitration movement now settled in the international bureau at The Hague. So it is with a feeling of gratitude, in a spirit of solidarity and goodwill, and with a profound conviction that the prosperity of both nations depends on a good understanding, that I and my friends have come here, and the reception you have given us has confirmed these feelings.

“May I extend our warmest thanks, and also an invitation on our part to you, Gentlemen of the London Chamber of Commerce, to come and see us in our own country, and give us a chance of reciprocating the kindness of which we have been the recipients. I have known England for many years, but with some of us this knowledge is not so extensive as we would all desire, and when talking with my English friends (and I am glad they are numerous) I find that German institutions, political, social, commercial, and industrial, might offer a great many points of interest that my English friends are not yet aware of.

“Let us continue in this principle of interchange of courtesies and useful knowledge, and become and remain honest and self-reliant competitors as well as friends.”

RUSSIAN TRIBUTES TO BRITISH NAVY

During the month just ended, the British Fleet has been paying what may be termed official visits to Russia and to Germany. By both nations officers and men were received with the utmost cordiality and hospitality. On board H.M.S. *Lion* the

President of the Duma welcomed the visitors in the following speech :—

Speaking for myself and my fellow-members of the Duma, allow me to express our satisfaction that we should have been fortunately able to visit you on board this magnificent ship of His Majesty's Royal Navy. With all my heart I wish you a pleasant passage to our capital, where, doubtless, you will be able to convince yourself that our sympathies, or, more properly speaking, our feelings of friendship for the great British nation, so strongly expressed in the memorable days of your countrymen's visit to us in 1911, far from weakening, continue to grow stronger and stronger. These feelings are, indeed, based on the firm foundation of the mutual understanding of the two great nations and the recognition of a community of political and civilising aims and interests.*

At the banquet given on board the same evening, Admiral Beatty, replying to Admiral von Essen, who had proposed the toast of the British Navy, said :—

I must take the opportunity of thanking you for the truly warm and cordial reception you have accorded to us. I thank you not only on behalf of the officers and men of the squadron which I have the honour to command, but on behalf of the whole navy of England, which will truly appreciate the great honour you have conferred on us and the great pleasure you have given us. We do not need an introduction, as the navies of the Great Powers belong to the same great family—the universal brotherhood of the sea. I have never before been fortunate enough to visit a Russian port, but I recall with pride the fact that I was privileged in the past to fight side by side with Russian soldiers and sailors in China, and therefore I am able to appreciate the magnificent fighting qualities for which they are so greatly renowned.

At St. Petersburg several entertainments were given to celebrate the naval visit. At the first of these entertainments the British Ambassador gave the toast of King George and the Tzar in the following terms :—

Their Majesties are closely related and have many interests in common. They are cousins, they are friends; and their friendship is symbolical of that close friendship which will, I trust, constitute an indissoluble link between Great Britain and Russia. Their Majesties are, moreover, both admirals of the fleet; and the British Navy is proud to have inscribed on its roll of admirals the august name of the Emperor of All the Russias. It is more especially in their character of admirals of our fleet that I would wish you to think of them to-night as I ask you to raise your glasses and drink long life and happiness to Their Majesties the Emperor Nicholas and King George.

Later on Sir George Buchanan received the officers at the British Embassy, and in the course of his speech at the dinner said :—

Mutual friendship, mutual sympathy, and common interests constitute the firmest bond of union between nations, and enable them to regard with equanimity and to reconcile without tension any passing differences that may arise between them. I, during the past few days, have witnessed with feelings of grateful emotion the warm—I might almost say affectionate—manner in

* For this and the following excerpts I am indebted to the *Times* correspondent.—Ed.

which our squadron has been received at Reval, at Kronstadt, and in St. Petersburg, and I draw from this a happy augury for the future, as well as the conviction that all the conditions of an enduring understanding now exist.

The two nations are getting to know and understand each other better. They are learning to appreciate and to value each other's friendship, and I am confident that this friendship has now taken such root that it will be able to weather all storms that may beat round it in the future.

Another occasion, that of the banquet given by the Municipality, afforded the Mayor, Count Tolstoy, an opportunity of further emphasising the friendship that exists between the two nations. His speech ran thus:—

I am proud to welcome the sailors of His Britannic Majesty's Fleet in the name of the Municipality and of the whole population of the capital founded by Peter the Great. Great Britain is ever justly proud of her gallant fleet, the defence of her homes, and a terror to her foes. The magnificent squadron which has honoured us with a visit is not only admired by the whole population of the city, but is acclaimed with joy as the representative of a great and friendly nation who desire, like ourselves, to be at peace with the entire world.

We learn from early boyhood that the men on board British ships do their duty. We know that this is so now, and that it will be so for ever. Truth and honour are the first and best qualities of man, and we know them to be inherent in the British sailor.

In the name of our Municipality and of the population of St. Petersburg, I thank the Ambassador, the gallant Admiral, and the officers here present for the honour they have done us by accepting our invitation, and I am proud to raise my glass to the British officers present and to those whose duty compels them to remain on board ship, to all your dear ones who have remained at home, but who are with you in their hearts, to the bravest and finest Navy in the world, and to the noble English nation, the friend of our beloved Russia, and last, but not least, to the brave sailors who man your glorious ships.

At Kiel both the German Emperor and Prince Henry of Prussia visited the British flagship, but no political speeches were made. During the stay of the fleet in German waters His Majesty was lavish in his personal hospitality, and British visitors, both private and official, were entertained in true German fashion. These visits do an immense amount of good. They serve to rub off the rough corners, and leave behind a feeling of friendship which is never forgotten.

I should have liked to have touched on the situation in the Balkans, and especially to have referred to the position in Albania. I should also have been glad of the opportunity to comment on the approaching conference which is to take place between France and ourselves concerning the future administration of the New Hebrides, but as the Foreign Office vote will be discussed in the House of Commons before these lines are in print, I think it best to see what Sir Edward Grey has to say on these important matters before making any observations.

DIPLOMATIST.

LAND SETTLEMENT IN AUSTRALIA

By HERBERT E. EASTON

(*Hon. Sec. of the British Immigration League of Australia*)

As regards population, the continued emptiness of Australia is causing, as it has long caused, much uneasiness amongst all thinking persons domiciled within the Dominion. More than that. Leading men of the English-speaking race in all parts of the world, including eminent naval and military authorities in the Homeland, have called attention to the gravity of the position. Indeed, in the opinion of many persons well qualified to judge, the want of population is a menace to the security of the Commonwealth. All credit must be given to the Federal Government for the efforts made to establish a local navy and a citizen army, but even supposing every able-bodied man in the country to be either a trained soldier or a trained sailor, the number would be quite inadequate for the defence of so vast a territory and so extensive a coastline.

There is also another matter to be borne in mind, and that is development. Australia offers unique opportunities to the agriculturist, and it is to the urgency of the need for what I may term a rural population that the few observations I propose to make will be directed. Practically, the Australian cities absorb the greater number not only of the residents but of the newcomers; in fact the city or town population of Australia is out of all proportion to that of the population inland. What Australia wants is an inflow of persons capable and willing to work on the land, men who wish to make agriculture and farming their permanent occupation in life.

The chief difficulty standing in the way is the fact that, at any rate in New South Wales, where I have resided now for some years, there is little land available for the small farmer, and until land of this class is made available there cannot be the inducement there ought to be for would-be farmers to migrate from the Homeland to Australia. Similarly, there are in New South

Wales itself many people desirous of becoming farmers who are prevented or handicapped from so doing by lack of opportunity. As the Dominions Royal Commission very pertinently pointed out, the emigrants wanted in Australia are men who will become "primary producers." And the report of the Commission further adds, and with perfect soundness, persons emigrating from the Motherland to the Commonwealth should be able to go out "either to a ready-made farm or a farm on the shares system."

If Australia itself needs no advertisement, it may be that the opportunities it presents to the farmer require to be more widely known. In my opinion it is one of the finest agricultural countries in the world, and could be and ought to be the greatest wheat-producing country in the world, not even excepting Canada. For a long time Australia has been the wool-exporting centre of the Empire, and there is no reason, in my opinion, why it should not take the same leading place with regard to meat, butter and cheese. The one thing necessary is a rapid increase in the farming population. Some of the States, notably Victoria, have done a good deal in the direction of assisting the would-be farmer, but on the whole persons desiring to take up land in Australia are left to their own resources. For instance, in New South Wales the man who wants to make a start as a farmer has to take his chance of finding a farm in the market on his arrival. Failing this he must wait his turn in a Government land lottery, which may mean that for some time he will draw nothing but blanks, and even if he be successful in the draw he will have to face regulations and conditions which may not altogether appeal to him. In these circumstances the British Immigration League of Australia set themselves out to formulate a plan that would meet the difficulties to which I have referred. Having secured the co-operation of many leading citizens of New South Wales, the League opened negotiations with the Central Emigration Board in London with a view of the two associations taking up together the question of land settlement in Australia and showing what can be done by private enterprise.

At the annual meeting of the Central Emigration Board held at Grosvenor House this month, I had the opportunity of putting forward the scheme we propose to inaugurate with a view of attracting an agricultural population to Australia. The scheme in principle has been well discussed in the Press, and I think one may say it has borne criticism remarkably well. Of course there are always opponents to any emigration scheme. Unfortunately both emigration and immigration have become issues in party politics, but I do not propose to enter upon that phase of the

question here. So far as some of our opponents go, I cannot help thinking they are too prone to hide their heads in the sand. They say the old country is good enough for anyone; in the Homeland there is work for all and land for all, irrespective of any rise in population. I notice, however, that on the question of opportunity these critics are silent. They certainly do not think imperially, they are in no way concerned with building up the Empire, and building it up with a population sprung from British stock. Moreover, they give no credit to Australians for keeping the Commonwealth a white man's country. I do not say that they advocate leaving the peopling of Australia to the coloured races, no critic has gone quite so far as that, but apparently they would not in any way oppose the peopling of Australia from European sources other than British, forgetting altogether that such a plan is antagonistic to the true interests of Empire. For it is obvious that however loyal other nationalities may be to the country of their adoption, they can never possess those traditions of patriotism and of affection for England that are inborn in persons of the British race.

Now my proposition, or perhaps I should say our proposition, is to form a limited liability company with the object of purchasing land in New South Wales for settlement purposes. The capital of the company to be £1,000,000 divided into shares of £1 each, £300,000 being offered to the public immediately, the whole bearing interest at the fixed rate of 6 per cent. per annum. I have been asked whether the interest could not be guaranteed; that is a matter worthy of consideration, but to my way of thinking such a course is hardly necessary. Anyone who knows Australia is aware that when suitable land is purchased the return is great, especially when, as is contemplated in this scheme, the land is subdivided into farms. The farms would be open to persons resident in Australia, as well as to newcomers from the Motherland; in fact, it should be clearly understood that this is a joint enterprise to be conducted by prominent men in Australia and prominent men in this country for the benefit of both peoples. A truly Imperial scheme, using the word imperial in its wider sense, that of Empire. I might add that the scheme should prove of special benefit to University men and public school boys contemplating taking up land and settling down in the Commonwealth, for all necessary agricultural training will be given on the estate, and help will be available in the matters of selection of land and stock.

In due course a prospectus will be issued. Meanwhile the Australian directorate have sanctioned the following draft table of objects and points which the Company might be expected to bear in view and take the necessary powers to carry out.

DRAFT TABLE OF OBJECTS AND POWERS.

To induce a steady influx of people to Australia and thus ensure two admittedly desirable objects, the development of the resources and immunity from invasion.

To purchase land suitable for settlement.

To subdivide the land into farms suitable for grain-growing, dairying, mixed farming, grazing, fruit-growing, and all kinds of agriculture.

To dedicate, open, establish, and maintain roads, streets, and thoroughfares, as may be deemed necessary or desirable.

To improve, erect homesteads and other buildings, to fence, to stock, provide water, and if necessary, cultivate such farms and make them ready for occupation and early returns.

To sell farms to British and other Oversea immigrants and Australians on such terms and conditions as may be decided upon from time to time to meet special circumstances.

To lease, when sales are not immediately practicable, farms upon such terms as may be agreed upon.

To exchange any farm or part thereof for any other farm or part thereof on terms to be mutually agreed upon.

To render any assistance, financial or otherwise, as may be necessary and desirable to intending settlers and to purchasers of farms.

To promote where required all proper railway construction for the connection of farms with suitable markets.

To take the necessary steps to obtain farmers from the Motherland and such other Dominions and countries as may be decided upon.

To establish agencies, permanent or temporary, in countries deemed desirable to assist in carrying out this work.

To establish on the company's estate technical and other schools, training farms, and other institutions; and also to establish, carry on, or sell such businesses as may be necessary for or conduce to the welfare of the settlements.

To advance passage money to purchasers of farms of small means in cases where it may be deemed advisable.

To supervise, control, and dispose of the produce of farms sold to persons of limited capital.

To appoint such officers as the directors may deem to be required for the carrying on of the business of the company, and to receive and apply the receipts to the liquidation of the purchaser's debts to the company in such manner as may be agreed upon at the time of purchase.

To obtain as manager the best expert on agricultural estate management and colonisation.

To let, sell, or give to the Government or local bodies or private persons sites for building schools, railways, railway stations, post, telegraph and telephone offices, waterworks, hospitals, or such other things as may be necessary for or conduce to the welfare of the settlements.

To advertise the agricultural resources of Australia and to co-operate, when desirable, with the British and Australian Governments and immigration bureaux and leagues; and generally to do all things incidental or conducive to the attainment of the above objects or any of them.

To make such profits as will ensure to shareholders an annual rate of interest equal to 6 per cent. per annum. Any profits made in excess of that sum will be devoted to other similar settlement schemes, to the advancement of agriculture, the founding of bursaries for agriculture or the establishment of training farms. Any extra taxation incurred by any shareholder on joining the company, on land he may have held prior thereto, by reason of the Federal or other progressive land tax, to be defrayed by the company.

To consider applications from purchasers of farms to erect cottages for suitable married employees with families.

To encourage co-operation both as regards buying and selling.

To cultivate or otherwise utilise for the benefit of the Company any farms not let or sold.

To borrow or raise money by the issue of debentures or other stock, bonds, or mortgages; receive money on deposit, etc.

To provide, if necessary, for subscriber's capital to be repaid by instalments at the end of each decade.

I might, perhaps, add that any property sold by the Company would be subject to the restriction that no premises for the sale of intoxicating liquors shall be erected thereon. No promoters' shares of any kind are being issued, and no agreements have been signed affecting the Company.

H. E. EASTON.

CENTRAL EMIGRATION BOARD,
CROMWELL HOUSE,
SURREY STREET,
STRAND, W.C.

SIDELIGHTS ON CANADIAN LIFE

Wheat Exports.

Canada led the world last year in wheat exports, according to statistics furnished by the bulletin of foreign agricultural intelligence, issued from the Canadian Office of the International Agricultural Institute. Her nearest competitor was Russia; Argentine, which has been pointed out as the coming wheat land of the Western Hemisphere, falling into third place. The United States ranked fourth among wheat-exporting nations. Canada's wheat exports for the year reached the grand total of 129,950,000 bushels compared with 121,938,000 from Russia. Argentine's export was only 102,275,500 bushels, while the United States exported 99,410,000. Despite the fact that it is predicted that the United States will have an unusually heavy crop this year, there appears to be no reason why Canada should not retain her lead as the world's greatest wheat exporter. The West will have a greater acreage under wheat this year than last. The seeding has been completed under favourable circumstances, greater care has been taken in the selection of seed grain, and present indications favour another heavy yield.

Industrial Outlook.

The situation throughout Western Canada as regards general merchandise seems to be steadily improving. A demand for spring lines has arisen in consequence of the mildness of the weather. In industrial circles preparations are proceeding actively for a brisk season, especially in the matter of construction work. It is expected that a great deal of building, which was postponed last year on account of the financial stringency, will be carried out this year. The outlook for manufacturing expansion in Western Canada is considered to be better than it was a year ago. Announcements of new projects are becoming more numerous, and it is felt generally that the easier tendency of the money market will have a beneficial effect during the spring and summer.

Homesteading.

The amended pre-emption regulations of Western Canada are designed to promote and facilitate the occupation of the land. Under existing conditions a homesteader has the right to pre-empt (i.e., purchase) an additional quarter section at the rate of 12s. per acre, but he cannot obtain his patent until the expiration of six years, and only then after payment of interest at 5 per cent. on the pre-emption price. The amended regulations provide that the homesteader who pre-empts may come into complete possession within three years without payment of the 5 per cent. interest, but if he should be unable to meet his payment within the time stipulated he may have an extension of three years by paying 5 per cent. for the extended period on payments that may be due. The advantages of the new arrangement will be at once apparent. It is desirable that a man should enter into full possession of his property as quickly as possible in order that permanent work may be proceeded with. Further encouragement to pre-emption, which will at the same time serve the purpose of stimulating the business of stock raising and mixed farming, is offered in a new plan, which proposes to give the pre-emptor the right to qualify for his patent by keeping stock on his land instead of "breaking" a specified amount of land each year.

Hydro Electric Power on Farms.

It is still supposed by many people that life on a Canadian farm is synonymous with hardship, particularly for the women-folk. The British settler in Ontario, however, who has experienced life on a farm in this country, will be agreeably surprised at conditions in that province. Up-to-date methods of farming have brought Ontario to the forefront among the agricultural countries of the world. Electric power is becoming year by year more extensively employed on farms throughout the province, and it is interesting to note from the annual report of the Ontario Hydro-Electric Power Commission what is the usual electric equipment recommended for the average farmhouse. The installation for the house consists of a complete lighting system, electric flat irons, vacuum cleaner and electric stoves. In the cow barns and horse stables a row of lights behind the animals in the proportion of a lamp to every three, is usually recommended. Nor is the hay mow, the silo or the drive shed forgotten. This installation, with a good lamp on a pole in the farmyard, gives ample lighting for the farm. A 5 horse-power motor is also generally recommended for power purposes. This motor supplies power sufficient to conduct the harder work of the farm.

American Farmers.

The present agitation in the United States against emigration to Canada is having precisely the opposite effect from what was anticipated. It is simply advertising more than ever the opportunities which Western Canada presents to the settler. The Western Canadian land officials are receiving more inquiries from United States farmers than at any similar period of any previous year. The American farmer recognises the fact that during recent years enormous numbers of his fellow countrymen have crossed over the frontier into the Dominion, and have settled there because they had prospered and found conditions congenial. He also recognises that if there were not very strong recommendations to attract American farmers they would not pull up their stakes in the old country and trek north into the new.

The City and the Farm.

Speaking before the Lethbridge Board of Trade, Mr. J. S. Dennis, Assistant to the President of the Canadian Pacific Railway Company, urged co-operation between city organisations and farmers in the surrounding country as the only basis upon which the prosperity and development of cities could be maintained. Industries suitable to the cities of Canada, he said, are those which use for their raw material the products of the land. By making land productive, by placing progressive, intelligent settlers upon it, and assisting them in every way, the cities would be laying the most permanent and secure foundation for their future prosperity. Western Canada for example is, at present, compelled to import large quantities of meat from Australia, butter and eggs from other lands. All these should be produced at home, not only for local requirements, but in order to ship to foreign countries. Where it was possible, these shipments should be sent out in a manufactured form, and the industries and commerce resulting would be the surest and most natural means of developing Western Canadian cities.

Educating the Farmer.

A complete series of daily lectures has recently been completed in Saskatchewan. These have been of great interest and value to the farmers of that Province. Arrangements were made with the Grand Trunk Pacific and Canadian Pacific Railway Companies for a first-class passenger coach with accommodation for two speakers. The two coaches were fitted up under the direction of the dairy branch of the Department of Agriculture, Regina (Saskatchewan), and provided with lanterns and slides

illustrating various features of dairying as conducted in the Province and the work which is being carried on for the promotion of that industry. Slides were also shown of dairy breeds and animals of the respective breeds with enviable records. The car remained one day at each town and was moved from point to point by passenger train. At many places afternoon and evening meetings were held. The value of lantern slides at such meetings cannot be over-estimated, providing as they do, an attraction in securing an attendance, and also enabling the speaker to illustrate the subject with which he is dealing. On the Grand Trunk Pacific route 28 points were visited and 52 meetings held. The total number of farmers attending the meetings was 3,861. The largest attendance at one meeting was 350. The Canadian Pacific itinerary covered 43 points and 48 meetings were held. There was an average attendance of 60 at each meeting, and a total attendance of 2,612. The largest attendance at one meeting was 110. A feature of all these meetings is invariably the anxiety of the Canadian farmer to learn, hence the gratifying attendance at all lectures whether the subject be dairying or any other branch of agriculture.

Agricultural Demonstration Trains.

Agricultural College demonstration trains will be run over the lines of both the Canadian Pacific and the Canadian Northern Railway lines, leaving Winnipeg about the middle of June. The trains are being equipped by the staff of the Manitoba Agricultural College, who will also give the lectures, and make the demonstrations. Three meetings will be held each day at the various stopping-places, but the programme for this year will be quite unique in that it is being prepared specially on behalf of young men and women. The older portion of the community will be invited to attend, but the lectures and demonstrations will specially appeal to the younger people who are anxious to improve their knowledge. This will be the first occasion on which trains have been run in North America with a programme of demonstration work, designed for the instruction of young people in knowledge relative to farm life and to country homes. An interesting feature of the programme will be the moving picture apparatus, including films showing the germination of seeds, growing of plants, the raising of poultry, bee-keeping, and the development of farm machinery. Last year, it is estimated by those who accompanied the demonstration trains, that they reached indirectly 35,000 people. Thus is the Dominion Government striving to educate the farming community in order that success may be assured on the land.

The Ontario Farmer.

The action of the Canadian Government in making heavy appropriations to aid agriculture is already bringing notable results in Ontario. For instance, the Ontario Government was spending \$86,000 a year on the maintenance of expert agricultural representatives at important county centres. An allotment of \$80,000 from the Federal grant has enabled the Ontario Department of Agriculture to double the number of these centres. Wherever located, these agricultural experts, who are all graduates of the Provincial College at Guelph, inaugurate a new era of prosperity amongst the farmers. They study the soil and climate and advise the farmers as to the most profitable crops for their particular neighbourhoods and properties. In many cases a complete reversal of methods occurs. Often the efforts of the community are directed into novel channels. The results are seen in growing profits and in enhanced values of land. The southern counties of Essex and Lambton may be taken as the scenes of the latest revolutions of this character. This widespread movement during the next few years will double the food production and the agricultural wealth of Ontario.

Mercantile Marine.

The annual report on shipping just issued by the Department of Marine and Fisheries at Ottawa shows that the number of vessels on the registered books of the Dominion on December 31st, 1913, was 8,545, measuring 896,965 tons. These figures represent an increase of 115 vessels and 60,687 tons as compared with 1912. The number of steamers on the register on the same date was 3,847 with a gross tonnage of 711,512. Assuming the average value to be £6 per ton the report states that the value of the net registered tonnage would be £5,381,760. The number of new vessels built and registered in the Dominion during 1913 was 344, measuring 40,164 tons. Estimating the value of the new tonnage at £9 per ton gives a total value of £361,476. During the year 291 vessels were removed from the register. It is estimated that 43,968 men and boys, inclusive of the masters, were employed on ships registered in Canada during the year 1913.

Cable Improvements.

The Postmaster-General of Canada has been instrumental in introducing a week-end cable service between Canada and Australia, to be effective forthwith. Week-end messages may now be sent to Australia and New Zealand from Canada at the rate of about 11s. 4d., covering the first twenty words, and 7d. for each additional word. As the regular cable rate between

points in Canada and Australia is 2s. 5d. per word, while the new week-end cable rate is 7d. a word, the latter will be a very important advantage, especially to business men having connections with the respective dominions. The importance and value of cheap communication as a promoter of trade and other relations cannot easily be over-estimated.

British Cavalry Remounts.

The lease of 65,120 acres of grazing land, south of the Red Deer River, in Alberta, to the National Livestock Exchange, Limited, of Montreal, for the purpose of raising cavalry mounts for the Canadian Government and the British War Office, has been ratified. The land in question is to be used by this company for the breeding of cavalry remounts from thoroughbred sires or mares to the number of not less than 1,500 a year after 1916. The Canadian Government is to have first right of purchase at a maximum price of £50 per horse, and the British War Office is to have pre-emption rights (i.e., the right to purchase) on the animals which remain. The land is leased at 1d per acre, or a total of £270 per annum.

Canadian Northern Railway

With the completion of their new lines in Eastern Canada, the Canadian Northern Railway announce that on the opening of navigation on the St. Lawrence this year they will operate a fast freight service from Montreal and Quebec. Every facility will be provided for the prompt and proper handling of import shipments, and the most favourable rates will be quoted on westbound freight from Great Britain and the Continent destined to such important points as Belleville, Brockville, Kingston, Napanee, Oshawa, Ottawa, Parry Sound, Picton, Smith's Falls, Sudbury, Toronto, Trenton (Ontario), Shawinigan Falls, Grand Mere, and Roberval (Quebec). The Canadian Northern lines in Western Ontario, Manitoba, Saskatchewan, and Alberta run through the most important districts, and traffic is accepted for nearly all the chief points, among them being Brandon, Winnipeg, Portage la Prairie (Manitoba), Port Arthur, Rainy River (Ontario), Calgary, Edmonton (Alberta), Saskatoon, Regina, and Battleford (Saskatchewan). The lines from Edmonton, west through British Columbia to the Pacific Coast, will be completed this year, and traffic will be handled from Quebec and Montreal over their own rails to the Pacific.

CONCERNING RURAL EDUCATION

By SIR HERBERT GEORGE FORDHAM

(Chairman of the Cambridgeshire County Council and of the County Education Committee)

TOWN and country are now so much one, and the movement of population is so much facilitated by modern methods of locomotion, that in my opinion nothing is gained by attempting to make an educational distinction between the town man and the country man. The conditions of life and employment can, no doubt, be improved both in town and country, they may be so improved as to make existence under either set of environments equally desirable, or the scale of benefit may be weighted in the public interest on the side of the country. These are economic circumstances, in which education can play some part, but not in the sense of establishing education in compartments, specialised throughout to fit particular local circumstances and the supposed needs of particular populations.

The question at issue is, to my way of thinking, divisible thus: (i) How far a general education, such as every citizen of average intelligence should receive, ought to be qualified at any stage, and at what stage, by a specialised industrial or professional training; (ii) How far, apart from specialised training, the character of the general existence of the population in any area, should temper and modify the general basis of sound education.

Certain elements of instruction—reading, writing, arithmetic, a general knowledge of history and geography, with some practice in vocal music and drawing—must be accepted in all Elementary Schools, whether in town or country, as the foundation and main features of education. And this teaching must, so far as it is incomplete at the lowest stage of the educational ladder, be developed in Secondary Schools and throughout the whole system, to whatever point it attains. No one would suggest that these elements, or any of them, should be omitted from a curriculum dignified by the title “rural,” any more than from one distinguished as “urban.” So domestic

training cannot be too carefully taught both in town and country. An average intelligence is proper to either area—to the whole population of the country; elementary domestic training is as important and useful in a town, a village or an outlying hamlet, as in a single home. Thus, needlework, cookery, manual training in wood and metal work and gardening in an ideal national life, should be taught and practised equally in town and country. A proper instruction within these limits, with some slight additions and developments and attention to the rules of health and cleanliness and of conduct and order, fills the whole field of ordinary elementary education up to fourteen, and I put forward the decided view that a child's life is, as regards the school, sufficiently utilised for its immediate and future profit, if the standard curriculum of the Elementary School is limited to the subjects to which I have referred.

But is it possible to specialise usefully in town or country in the Elementary School? To give any further and special instruction in our agricultural or industrial community is to teach, more or less directly, a trade, or many trades. My knowledge of towns is limited, and I am not aware whether anything in the nature of technical and trade training is now being given in urban Elementary Schools. I assume that it is not, or, if at all, to a limited and, probably, local extent. In the country, the staple industry being agriculture, including every form of the manufacture of food and raw products from the cultivation of the land surface, the test in this matter will be the possibility or expediency of attempting technical training in agriculture in the Elementary Schools. Other rural industries are, in the main, those which equally flourish in rural and urban areas, and as to which, if special training is to be given, it may be given, therefore, uniformly throughout the country.

Of all industries, agriculture, both as a general science and in its many special branches, cannot be usefully introduced as a subject of instruction in Elementary Schools. I go further, and say that agriculture can only very indirectly be utilised as a subject of instruction in Secondary Schools, and in the stage of university teaching it must be largely a department of instruction unconnected with literature and general education.

Knowledge of agriculture may be classified broadly as empirical and practical, and scientific and experimental.

It is quite clear that the practical side of the various methods and processes necessary for the proper cultivation of the soil, cannot, beyond the elementary details of horticulture, be taught in the ordinary school. They involve long experience for their perfection, and their relations to science in its various departments is to the ordinary worker very obscure. Knowledge of

soils and their character and texture, of the operations which alter that character, and of all the complex problems that make up animal and vegetable life must be gathered up by practical experience and in a sufficiently hard school.

Children in rural districts obtain much working knowledge in their ordinary life and from all that surrounds them. Actually employed generally on Saturdays, and during holidays, and especially during the long harvest holidays, they become agriculturists from a very early age. What little can be added in the school to the practical acquaintance with the great agro-industrial population in which they exist, and with its means of existence, lies rather on the theoretical and scientific side of knowledge. But, here again, the difficulty of imparting information lies in the vastness of the subjects, and their remoteness from the practical life of the worker. Agricultural science is still to be built up in a large measure by the application of widely different groups of facts, and a mass of highly technical and delicate experiments to practical operations—which they explain and illustrate. In the school no foundation of knowledge exists upon which the sciences which affect agricultural success can be taught, beyond what is so elementary, that its applications to the ordinary processes of cultivation are necessarily but obscure. Botany, nature study in all its branches, and a smattering of chemistry and meteorology are valuable as an incitement to further inquiry in the waking mind, but they carry the matter no further.

If it be true, therefore, that our great rural industry, agriculture, cannot be directly taught as a technical subject in the Elementary Schools of the rural districts, the question of how far assistance can be given at all to that subject in such schools by indirect and collateral instruction remains for consideration. I will deal with that point later.

I pass now to the possibilities of agricultural education in the Secondary School, which may be classified as wholly or in part a rural institution. I am doubtful, however, whether there are many, if indeed there are any, public Secondary Schools of the ordinary and rather middle-class type which can be properly called rural. In general a Secondary School of this character to which children from the purely rural districts come, is situated in a town of some size, the population of which supplies at least a nucleus, and ordinarily a larger proportion of the pupils. Such a school draws, also in general, from other adjacent towns and large villages of which the population is partly urban, even if it has direct interest also to some extent in agriculture. Take such a purely rural object of teaching as mensuration, as practised in farming. In such a Secondary School it would be a most desirable subject of study and is indeed studied from a rural point of view.

But in a mixed urban-rural school population it would be a special technical subject, and would have to be fitted in for a small class. It would be necessary to make it a field subject, involving journeys and considerable time on the land itself.

It follows from these circumstances, that the curriculum of the ordinary run of Secondary Schools cannot supply the general needs of the population upon an exclusively rural and agricultural basis of instruction. The education offered must be general and the special studies must also be arranged to be of utility in a population of mixed pursuits. A great difficulty in such schools is the want of time for anything more than the ordinary routine of subjects. When room has been found for one dead and one living language in addition to our own, or for a living foreign language only, for botany and chemistry amongst sciences, and shorthand and type-writing among studies of practical utility, in addition to the usual scheme of instruction—gardening, hand-work in wood and iron, meteorology, mensuration and many other useful subjects can only be scantily provided for, and cookery, laundry work, the care of poultry, gardening, dress-making and domestic science generally are equally difficult to fit in at a girls' school.

A special incapacity affects children from rural districts attending Secondary Schools, inasmuch as they often travel long distances to obtain the advantages of education. I recall an instance of a boy from an out-of-the-way village travelling to a central school, there and back, 42 miles, partly by bicycle, partly by train and partly on foot, a journey which in time consumed at least $2\frac{1}{2}$ hours out of the 24. The immense expenditure of time, energy and, money in travelling from rural districts to town centres for secondary instruction is evidence of the great desire in the population to obtain knowledge, and is highly creditable. But this condition of things must be taken into account in calculating the possibilities in the matter of rural instruction, and technical and agricultural training in Secondary Schools, and it largely influences me in adopting a negative attitude in the matter.

In the university stage of education, rural education can only exist as a specialised study of agriculture and connected industries. The growth of the Agricultural and Forestry Departments in the University of Cambridge is an example of the progress which is being made. Associated with this grade of education are the various technical training institutions which deal with the trades and professions connected with the land. This is rural education in its most advanced form, but it is too exclusively a trade training to be associated with general local education in its rural aspects.

There remains for examination the future of the intermediate

form of public education, which, under the heading of Evening Continuation Schools and Technical Instruction Classes in various forms has been attempted to be set up as a general system throughout both town and country; in rural areas, at all events, with very partial success. This form of education has aimed at two objects—(1) That of the Continuation School proper, namely, the extension and development of ordinary elementary education by voluntary effort beyond the age of compulsory attendance at school, with such novelty in subjects as might give it a slightly professional and practical character, and be thus attractive to an intelligent youth, and (2) lectures on set subjects of practical value, combined with practical training and object lessons, and demonstrations in field and garden. The most successful element in evening continuation teaching in rural districts appears to be that associated with hand-work in wood and metals, dressmaking, instruction in first-aid, in domestic pursuits, and in such practical arts as shoemaking and mending.

The more thinly populated a district, the greater has been the interest in such classes. In the towns, small and large, especially I believe in the smaller centres, no great progress has been made, as a rule, in this form of education. Undoubtedly in rural areas, the life of labour in the open air, and the habit of taking long nights of rest in the winter months militate against intellectual exercise even in the mild form provided by the Evening School, and even prejudice the success of classes for hand-work in the evenings. Certainly, however, carpentering and cobbling are forms of instruction which have the most general approval. Girls go so early to service from the villages, and married women are so much occupied with their domestic responsibilities, that in this kind of education it is difficult to obtain support from either as a class.

To sum up the present situation in education directly rural in character, and such as would not be thought suitable for any population in the agglomeration of a town, it would seem that at no stage does it flourish, or can it flourish, at the expense of that general education which is regarded as the proper basis of a satisfactory civilisation, while time and opportunity does not exist in elementary, secondary, or university education for the exclusive rural education which might, in a technical sense, make the rural citizen—as a class—efficient for the special localised objects of his existence—the cultivation of the soil.

When we discuss rural education we discuss a subject which, when examined, is found really to be non-existent as a defined method of training of the people, apart from that general training which is accepted as the common need of civilised humanity. This conclusion is not inconsistent with the idea of the incorpor-

ation in general education, in all its earlier stages, and in the greatest degree at the bottom of the ladder of educational progression, of what may be regarded as education by and in accordance with the local environment. And the local environment is naturally more impressive as a means itself of education when properly utilised in the rural than in the urban areas.

Teaching and learning is, in its common success, intimately bound up with the adaptation of a vast variety of means and ends outside mere academic tuition—mere book-learning or the gathering of facts and their classification and storage in the mind. The skilful instructor produces interest in knowledge when that knowledge and its acquisition and its use are made practical by their association with the natural life of a district, with the habits of the common existence, with the whole environment. The application of this truth to rural schools lies obviously in a judicious introduction at every possible stage of instruction of elements of knowledge which are naturally presented to the pupils in their every-day existence.

There is great hope in education in the country districts if the rural atmosphere can be introduced and maintained in the school. It is from this standpoint that I view not rural education as a thing apart, classified and distinct, but as an association with general education of a rural environment in rural areas—as there may perhaps be equally an urban environment in urban areas.

The most successful schools in the country districts, both elementary and secondary, are those in which the burden of formal teaching is varied and lightened by the intermixture of instruction in practical subjects—gardening, dress-making, laundry-work, cookery, and hand-work in wood and iron, with nature-study in its various aspects, elementary meteorology, drawing from nature, and especially in colours, and with a free hand. It is sufficient to add music, light, healthy, well-warmed and pleasant class-rooms, suitable pictures and flowers, to make the rural school what it ought to be, and what it may well be in accordance with its natural surroundings, a real centre of rural education.

These are the lines upon which progress has been made, upon which progress is being made daily, and upon which very great advances have yet to be made in the future. The true line of progress in education, wherever it be located in institutions in town or country, is to aim at a sound general training vivified and lighted up with all that is best in sentiment and in atmosphere of the natural local environment, the sense of life of the population.

HERBERT GEORGE FORDHAM

THE LABOUR PARTY AND SOCIALISM

AN EXAMINATION AND A CRITICISM

By J. CHRISTIAN SIMPSON

THE Conservative and Unionist method of approaching legislation is constructive, using the experiences and traditions of the past as a basis for solving political problems as they arise. The Radicals apply destructive methods combined with certain measures constructive in nature but entailing heavy financial responsibilities which they leave posterity to shoulder. The Socialists are wrapped up in dreams and ideals purely Utopian in character, and connected with an improbable if not impossible future when poverty and all its evils will be abolished, when there will be no poor because there will be no rich! They have little present-day practical interest except their power for evil, causing unrest and danger to the State and community. On these grounds it is well to examine some of the relations between Socialism and the Labour Party.

Socialism has been defined as a theory of government by which competition and private capital would be abolished, and the State made sole owner and controller of all the means of production, distribution, and exchange, for the use of the community. This theory has been described by Mr. Bernard Shaw as meaning, in concrete terms or actual fact, the equal division of National Income among all the inhabitants of the country and the maintenance of that equal division, as the very root of the Constitution. How such an equal division and its maintenance could be carried out he does not say, and there is little doubt that any such theory would break down in practice, as in the Socialist colony in Paraguay.

Unfortunately Socialists endeavour to attain their objects by methods little short of revolutionary in character. This may seem a strong term to use, but if one realises what the Socialist programme includes, I question whether the word revolutionary is really strong enough. What does the Socialist policy comprise?

It aims at the abolition of the Monarchy and the House of Lords ; repudiation of the National Debt ; reduction of the Navy and Army and destruction of the Empire. Added to this must be class hatred and discontent stirred up among workers, so that Labour may be organised under Socialist control. Individual enterprise and competition are to be destroyed, wherever possible, by the extension of Municipal Trading. State action and control as in the Eight Hours Act, the Minimum Wage Act and a non-contributory National Insurance Act, and nationalisation of railways and mines are to be encouraged. The ownership of land and indeed all private property is to be taxed out of existence. Such a policy discourages all ideas of thrift and ambition. Initiative of the individual and the development of self-reliance are eliminated. Socialism means bureaucratic government. Bureaucracy means officialdom, and officialdom is anti-human. The latest example of this is the Insurance Commissioners and Committees and their hide-bound anti-human administration of some sections of the Act.

In case anyone should think my description of Socialist policy an exaggeration, it may be well to give some concrete instances in support of the indictment. Mr. Keir Hardie has repeatedly made offensive references to the Monarchy notwithstanding his oath of allegiance to the Crown. He has declared that he regards "the existence of a King as a proof of lunacy among the people," and the *Socialist* observes "there is no reason why a Socialist Labour Party man should take an oath of loyalty to King Edward VII. and heirs for ever, and swear to uphold the Constitution we are out to destroy. In the Annual Report of the National Administrative Council of the Independent Labour Party one finds this choice paragraph. "In a foolish Preamble to the Parliament Act, the Government pledges itself to reconstitute the House of Lords in the future. . . . The only acceptable reform of the House of Lords is its entire abolition. It will be our business to oppose these fancy reforms by which a new lease of life is given to its reaction." Again, the late Chief Radical Whip, then Master of Elibank, stated, "I do not want the House of Lords reconstituted, I want it abolished." But before it has been abolished or even "Preambled," this Master relinquished Politics for the oil trade, and had the indecency to become "my Lord Murray," though his aged parent is also a Viscount, to which title and a trifle of 7,000 acres of land he will succeed. Evidently plurality of honours has no terrors for him, whatever plurality of votes may have had. As Lord-Advocate, Lord Strathclyde expressed the opinion that "it is unnecessary to have more than one Chamber in this country."

"Empire and Imperialism are expressions which must be

obnoxious to any Democratic Party," Mr. Ramsay MacDonald informs us, and the risk of the United Kingdom becoming an appanage of a Foreign Power was freely spoken of during the 1910 Election, as a matter of indifference, by Socialists who are now the greatest opponents of National Military Service. The heads of the Socialist Party recently endeavoured to induce trade unionists to withdraw their children from school on the occasion of celebrating Empire Day, but trade unionists have not reached that stage of degradation and the effort failed. At their last Annual Meeting, cheers were raised when it was said Socialists should also demand that religion be excluded from the schools, that being one of the most fatal forms of education.

And no one has preached more class hatred or sown more seeds of discontent between employers and employees than that "poor man" the Chancellor of the Exchequer, with only £400 a year from his investments in addition to his salary, £5,000 a year, and prospective Ministerial pension.

As to taxing landowners out of existence Mr. Keir Hardie said in the House of Commons during a debate on the Welsh Disestablishment Bill, "The Labour Party approved the Bill, because it would establish a good precedent. For the arguments now used in support of this Bill would be equally applicable to the disestablishment and disendowment of private ownership of land." In the case of private property being taxed, using the word property in a general sense, Mr. Ramsay MacDonald declared in May 1911 that "he and his supporters would continue the process they had begun and depress the value of Railway Stock until it suited them to purchase." The real object of railway strikes incited by socialist groups who have control of the trade union funds, and in spite of the fact that the *Labour Leader* reckoned the last great strike cost a total loss of at least some £12,000,000, most of which can never be recovered, is to depreciate the value of railway shares until they are worth no more than the paper the certificate is printed on. Then nationalisation will be pressed. Thus the reason given by Mr. Thomas for extending the railway dispute in connection with the Midland Company into a general strike was that such a course would bring the day of State ownership all the nearer. Whatever the rights or the wrongs of a case may be, on either side, the result of the recent fusion of Railway Trade Unions is that the leaders feel themselves justified in the pursuit of their socialistic ends, to threaten a national strike from John o' Groats to Land's End without any warning, in the case of a purely local or one company dispute.

I do not forget that it was a Conservative Government which gave trade unionists the right to strike in 1875, but conditions have materially changed since then, and to-day the whole commerce

of the nation, food supplies and everything, is at the mercy of an executive quite irresponsible so far as the nation is concerned. Such a situation naturally creates its own cure, and the time is at hand when public opinion must have more to say and do in such an arrangement. The right to strike, destructive weapon though it be, has been granted, but potential strikers must learn to strike in the right way and in a right cause, not merely for the sake of advancing the consummation of a socialistic idea, forced on the rank and file by so-called leaders. If a railway company is wrong, public opinion is not slow to say so, and the company has to rectify its mistake. If the strikers are wrong and public opinion says so, they also must learn to rectify their mistake. In neither instance must the community be injured. Possibly Part II. of the National Insurance Act may have a restraining influence, for anything in the nature of a general strike could not fail to influence seriously employment in the insured trades.

So far as nationalisation is concerned, it is difficult to see what will be gained by a change of ownership. The *Labour Leader** complained not long ago that numbers of men in Government employment are paid as badly as those in private employment. There is sweating, we are told, in the Post Office, and the adverse reception of the Holt Report is most significant. Sub-office Postmasters get at the rate of 4½*d.* per week as an extra payment for an enormous amount of work and responsibility in connection with the working of the Insurance Act, while the minimum rate of wages for women workers for Post Office and much other departmental clothing is 2¾*d.* per hour.

No one can foretell how long Mr. Asquith could withstand and resist a determined demand from a noisy section of his Coalition. To his credit be it said that he told a deputation in 1912 that he did not think the burden of proof which, he admitted, was on those who advocate nationalisation, had been satisfied." "The notion that fares and rates can be reduced, hours of labour shortened, and wages raised without paying for the capital value of the undertaking by a very small number of years purchase—practically confiscating it, is an illusory one." This accords with the opinion expressed by Mr. Jenkins, an ex-premier of South Australia, who said that "if the nation as a whole is to benefit, it might mean a great reduction in the employees; on the other hand, if the employees and the public are to benefit by the change it might result in a heavy national loss." This is the dilemma which France has had to face with disastrous results. In 1906 M. Clemenceau, the Prime Minister, desired to conciliate the Socialist and Radical Socialist Parties. He proposed and carried out the State pur-

* May 19, 1912.

chase of the Western Railway Company. What are the results? During 1912 the estimated deficit amounted to over £3,290,000. The personnel account has increased since nationalisation by 8,340, without any extension of this system. Since the days of the private company, working expenses have increased by £2,880,000, a rise from 67 to 91 per cent., while up to 1912 £9,680,000 have been devoted to extraordinary expenses. In the year 1912 the State Railway absorbed some £5,680,000 of taxpayers' money as the expenditure rose 50 per cent. and the receipts only 10 per cent. These figures seem to bear out Mr. Jenkins' forecast, and may well make Mr. Asquith think twice before committing his Cabinet or himself to any such project.

It is one thing to build State railways in a new country, but quite another financial proposition to purchase private railway companies in an old established country. But there is another point of view, noted by Mr. Jenkins, and South Africa has had to face it. The South African railways are State owned and State managed, and owing to depression after the Johannesburg troubles the Minister of Railways intimated the possibility of having to reduce the staff by five hundred men, if other savings and retrenchments were insufficient. The Railwaymen's Union desire recognition which the Minister has refused, while willing to hear any protests through the proper channels. This illustrates one of the worst evils of State ownership—that a Minister of Railways must be a party politician as well as administrator. He may desire retrenchment for the benefit of the State, but is open to threats of a strike from the Railway Unions on one hand, while on the other, the Opposition may take the chance of denouncing the Government.

Syndicalism is associated in the public mind with Socialism, but there is an essential difference between them. General Smuts, in defending the recent action of the Union of South Africa Government in connection with the deportations, defined Syndicalism as "a State within a State and above the State." Syndicalism is primarily industrial and aims at the abolition of employers and capital, and at the getting control of the industries into the hands of the workers. The aim of Socialism, which is primarily rather political than industrial, is State control, nationalisation of this, that or the other, which is obviously quite different. The Trade Union Congress of 1912 repudiated the doctrines of Syndicalism, but it is curious, that, while Trade Unionist leaders call themselves Socialists and control Trade Union funds and politics theoretically, when it comes to practical industrial action, the Congress also repudiates some Socialistic principles. Thus they refuse to consent to compulsory arbitration which would involve

bureaucratic interference, and they have denounced the bureaucratic administration and compulsory element involved in the National Insurance or "Poll Tax" Act, which they think should have been non-contributory like the Old Age Pension Act.

Trade Unions are not always so generous to their own servants as they wish their own employers to be to themselves. In September 1912 fourteen ex-railwaymen were employed as casual clerks by the Amalgamated Society of Railway Servants, and were locked out, they allege, because they demanded a minimum wage of thirty-five shillings a week, which is the minimum rate of payment fixed by the National Union of Clerks of which they were members. Again, some of the delegates at the meeting of the Railway Clerks Association were not in favour of paying the clerks in their employ at the same rate as they wanted for themselves, and a revision of the scale of salaries was hotly contested. It must be remembered, however, that Trade Unions are not synonymous with "Labour." As a matter of fact there are some 12,000,000 wage earners in this country who do not belong to Trade Unions, whose membership is about three millions. At the twenty-first Free Labour Congress it was deeply regretted that Trade Unions had carried out a policy of intimidation and terrorism against their Free Labour Non-Unionist brethren. The National Free Labour Association was founded to preserve to the working man his elemental right to work as he liked, when he liked, and for what he liked. Trade Unionism is thus complicated by Socialism, and Socialism by Syndicalism. At one moment, political and industrial action are at one; at the next they are in opposition. This perhaps is fortunate as it clearly acts as a check upon either Socialism or Syndicalism getting a firm grip in the minds of the great mass of British working men. Socialists and their literature however are not above advocating Syndicalist projects and ideas, while Syndicalists call their monthly journal the *Socialist*. It is not to be wondered at that confusion exists.

The first party in Britain that advocated the American variety of Syndicalism called "Industrial Unionism," was the Socialist Labour Party, whose headquarters were in Edinburgh. These extremists demanded a Socialist Republic and the *Socialist*, for November 1909, published the following self-glorification: "We Socialists preach high treason continually. We mock at the monarchy and hate the bloated creature who sits on the throne in our beloved land. We are enemies of the Church. We are enemies of the State. We threaten property-owners with confiscation of their goods, and what is more we organise the workers for the realisation of our objects." It was probably wise to pay no attention to such treasonable froth,

but it cannot but be a shock to know that such stuff could be printed, published, and circulated in our own land. During the coal strike, a Syndicalist publication called the *Miners' Next Step*, urged that a continued agitation be carried on in favour of continuing the minimum wage, and lessening the hours of labour until the whole of the employers' profits have been extracted. Their objective was to build up an organisation for ultimately taking over the mining industry and carrying it on in the interest of the workers. Experiments of that kind have been tried in France only to end in failure.

A further development of Socialism and Syndicalism has been called Guarantism. This is a political system whereby 1,000,000 of the population of the United Kingdom who pay Income Tax, death duties and land taxes are to guarantee the remaining 44,000,000 against the worry of insecurity! Such is the sober liberal expression of the demands of democracy as represented by the Labour Socialist Party who desire the total abolition of all indirect taxation—comprising duties, customs or excise, on articles of consumption. They desire some other ideal conditions which include the following.

Higher wages, with a minimum guaranteed for all; shorter hours; education, doctoring, and feeding of children (under the phrase national minimum of child nurture); better houses at non-commercial rates; all doctors' bills for adults to be paid, and hospital and sanatorium treatment promised; payment during unemployment or promise of State Relief Works; abolition of workhouses. Apparently the only omission, remarked a critic of the scheme, is the want of provision of clothes and pocket money. That Guarantism is not a huge joke is proved by the fact that it was seriously discussed and reviewed along with a book by Mr. J. M. Robertson, M.P., in the *Edinburgh Review*.*

Socialism and its likes are essentially selfish in character. They are "in love" with impracticable theories whose sole objects are to extract pleasure for themselves by causing pain to others. In their conceptions, there is no "love," the essence of which is not "what can I get" but "what can I give" to cause happiness to other. For while pleasure is a temporary and passing thrill of the emotion, happiness is a permanent and lasting feeling due to devotion to things better than one-self.

The two common assumptions of all these "Isms" are (1) that there is a natural and inevitable antagonism between Capital and Labour, between employer and employee; (2) that the wealth of the country if equally divided, would be about £200 a year to every family in the land. This is apparently arrived at by a simple division of the total annual income, but the "isms" fail

* October, 1912.

to reckon that if once the annual income were distributed equally, there would soon be no annual income to divide! Both these assumptions are fallacious, however much they may represent the feelings of their authors, as a way out of the conditions which have become less favourable to the industrial classes, as the strain, stress, and expenses of the nation have increased under the present fiscal system. As a matter of fact there is no inherent antagonism between Capital and Labour, both must go hand in hand. The first thing the Socialist Party have to do before they can publish a paper or otherwise spread their views, is to obtain Capital to buy the paper, print it, and get it distributed. Without capital none of these things could be done, as capital is one of the three essentials of production, labour and land being the other two. Raw material is useless until capital is expended on it. It is therefore not a question of the antagonism between all capital and all labour, but one between certain capitalists and certain labourers, which is another matter altogether. It is therefore absolutely wrong to generalize from any particular case of trade dispute. Some form of co-operation or co-partnership is a more probable solution of the difficulty and unrest, than any socialistic or syndicalistic panacea.

The *New Age* acknowledges from its particular point of view that to raise wages it is necessary to revolutionise the existing system of industry and the "commodity" theory of labour must be exploded in practice and theory. The objective of strikes and the theories on which Trade Unions proceed are condemned, as they repudiate this commodity theory which is expressed in the following points and facts:—

- (1) Wages have practically no relation to profits.
- (2) While labour remains a commodity, its wages cannot by any device whatever be raised above its market value.
- (3) No amount of Trade Union organisation directed solely to raising wages will have more than the smallest effect.

Hence the establishment of guilds instead of wage-earning is advocated.

What is the machinery which undertakes to present the varied Socialistic programme to the country at an estimated cost of £300,000 a year? A masterly analysis of the whole Labour Movement is that by the Organization Society, but for my present purpose it may be too technical. The following, however, is a fair summary of it, and also of the positions and facts produced by the Anti-Socialist Union. There are several Socialist parties, the chief of which are the Labour Party, the Fabian Society, the Independent Labour Party, the Social Democratic Party, the Socialist Party of Great Britain, the British Socialist Party, and the Church Socialist League.

Members of these various parties are to be found in Parliament, Municipal Councils, and Trade Unions whose funds are unfortunately controlled and dominated by them in most cases. Public meetings are held all over the country, to the number of some 2,000 a week, while over 8,000 children attend 126 Socialist Sunday-Schools, where they are taught revolutionary ideas and are filled with envy, malice and class hatred by members of the Teachers' Socialist Association and other such preceptors. There are daily, weekly, and monthly journals, magazines, pamphlets and books published and circulated in hundreds of thousands, as in 1910 over 500,000 actual socialist voters were registered.*

It will be a great misfortune if Labour as Labour becomes identified and involved in such socialistic propaganda as the above. It would be of greater advantage, for instance, if Labour as a whole would seriously consider some of the sections of Part II of the National Insurance Act, dealing with unemployment benefits. Under the old voluntary system of insuring in a Trade Union or Friendly Society, a member could draw his sickness or unemployment benefit independent of any trade dispute. Now, a workman who becomes unemployed on account of a trade dispute is not entitled to any benefit, and a trade dispute includes sympathetic strikes. Further, any workman who voluntarily leaves his employer without "just cause," or who loses his employment through "misconduct" is disqualified for receiving unemployment benefit for a period of six weeks from the date when he lost his employment. There is no definition or official indication of what constitutes either a "just cause" for voluntarily leaving an employer without his permission, or "misconduct" that justifies an employer discharging an employee. Another important point is that a workman is disqualified for receiving any payment under the Insurance Act for which he has paid his contribution, should he be in receipt of a sum payable under the Workmen's Compensation Act, to which he does not contribute at all. No one wants a workman to make money out of being either ill or unemployed—more particularly should he himself be to blame for either, but if he be really a right subject for the Workmen's Compensation Act to benefit, it seems odd that he should be deprived of insurance benefit for which he has money compulsorily deducted from his wages.

In an interesting little volume, 'Sane Trade-Unionism,' Mr. Osborne gives a timely history and review of the whole Labour question. What surprises one, however, is that he fails to associate or link up "Sane Trade-Unionism" with any policy of Fiscal Reform for the benefit of Trade Unionists in the flesh,

* Anti-Socialist Union Report, 1912.

sane or insane. He asserts that "measures for the protection of life at sea, and in mines, factories, workshops, and on railways, are mainly due to Trade Union action," but refrains from noting that most of these measures were passed by Conservatives. Apparently he cannot free himself sufficiently to realise the urgent need of the protection of the products of our own workmen whether at sea or in factories or workshops. To suggest seriously that "the best answer to foreign competition is good workmanship," and at the same time admit that "Trade Unionism is destined to encounter numerous difficulties in the near future, not the least being the severe competition produced by Asiatic labour," is not very encouraging. He acknowledges that "owing to the increased cost of living, the position of the worker has become worse during the past few years"; he admits that "the present position of our outstanding industries is too delicate to be treated by Parliament interfering constantly in trade disputes," and quite unconsciously, doubtless, sums up the case against Free Trade, by remarking that "any policy, however alluring, if taken in defiance of natural and economic laws, must inevitably end in disaster!"

It seems we are thus rapidly approaching the fulfilment of a prophecy made by Mr. Disraeli in the House of Commons on May 15, 1846, when he said, "the dark and inevitable hour will come. Then when their spirit is softened by misfortune they (the Free Traders) will recur to those principles which made England great and which in my belief can alone keep England great."

J. CHRISTIAN SIMPSON.

FEDERATION OF THE UNITED KINGDOM

POINTS FOR CONSIDERATION

BY D. A. E. VEAL

THE suggested Federation of the United Kingdom finds favour with many persons. It is said to offer a chance of meeting the Nationalist demand for self-government without endangering the Union and to carry with it the additional recommendations of providing for Ulster and relieving the congestion of business in the Imperial Parliament.

But advocates of Federalism for the United Kingdom seem to be labouring under a misapprehension as to its true purpose and meaning. Federalism was designed for the consolidation of a number of independent States in circumstances which had been regarded as an insuperable bar to union. Federalism was the discovery of the men who framed the constitution of the United States of North America. Within a few years subsequent to its construction a serious defect made itself manifest in the constitution so hurriedly constructed at the time of the War of Independence. It was proving itself unequal to the maintenance of the Union. Thus it was danger to the Union, not danger to republican institutions nor to State rights and privileges, that was the occasion for the summoning of the Convention of Philadelphia, whose great achievement was the Federal Constitution of the United States. "To preserve and perpetuate it" (the Union), said Jay, "was the great object of the people in forming that convention, and it is also the great object of the plan which the convention has advised them to adopt."

The difficulty that the Federalists solved was mainly one of extent. States scattered over a wide area had hitherto one of two alternatives before them. They must either purchase union at the price of political liberty or of contenting themselves with a loose and unsatisfactory form of league of alliance. The people of America would never have adopted the former alternative. At whatever risk they were resolved to retain their republican institutions. But neither did the prospect please them

of splitting themselves into "an infinity of little jealous, clashing tumultuous commonwealths, the wretched nurseries of unceasing discord, and the miserable objects of universal pity and contempt.

The aspiration of the Americans was to become one organic nation. But they have attempted the nation on a grander scale. They aimed at and succeeded in enlarging the orbit within which popular systems of civil government revolved. They improved the form of the State so as to make it correspond with its latest growth in soul.

The discovery which enabled the Americans to accomplish this is known as Federalism. They conceived the idea of devolving upon local and subordinate legislatures many functions which had hitherto been associated with the national government. After referring to the "objection that may be drawn from the great extent of country which the Union embraces" Madison proceeds to answer it as follows:—

In the first place it is to be remembered that the general government is not to be charged with the whole power of making and administering laws. Its jurisdiction is limited to certain enumerated objects which concern all the members of the republic, but which are not to be attained by the separate provisions of any. The subordinate governments which can extend their care to all those other objects which can be separately provided for, will retain their due authority and activity. Were it proposed by the plan of the convention to abolish the governments of the particular States, its adversaries would have some ground for their objection, though it would not be difficult to show that if they were abolished the general government would be compelled, by the principle of self-preservation, to reinstate them in their proper jurisdiction.

This shows that the Federalists did not necessarily adopt their system because they preferred it to the British. They had no choice in the matter. The only alternative to its adoption was to give up all idea of Union.

The Americans adopted the Federal system for the sole purpose of preserving the Union. "The definition of a *confederate republic*," says Hamilton, "seems simply to be an assemblage of societies, of an association of two or more States into one State." They did not adopt it because they were averse to a more perfect form of union, but because it was the most perfect that their circumstances allowed.

The other States which have since followed the example of America and framed Federal constitutions have all understood Federalism in the same sense, and used it to strengthen and not to weaken their union. It was the instrument employed by the British colonies of Canada, Australia, and New Zealand to effect the consolidation of the different independent communities into which each was originally divided.

Wherein, then, lies the application of Federalism to the case

of the United Kingdom, whose very name implies its irrelevancy? The union of England and Wales was an accomplished fact over five centuries ago, that of England and Scotland in 1707, that of all three kingdoms is over a hundred years old. Great Britain solved the problem of consolidation without Federalism.

It is argued that the Union of Great Britain and Ireland is a failure because the Irish have held aloof from it in soul. The reason is that they are psychologically backward, as were the Scotch at the time of the Jacobite rebellions, which were in reality nationalist demonstrations. But given time and patience, and provided that they are let alone, the Irish will learn to understand what the Scotch have long understood, that they are members of the United Kingdom and not subjects of England. Such a realisation spells death to nationalism.

It is evident from the writings of the Federalists that they had no fault to find with the British system. In them the Union of England and Scotland is referred to as a happy event, the unhappy results are noted that had ensued from the former division of the British Isles into four separate States, and the consequences that followed their amalgamation are held to justify that measure. Certainly the Federalists, ardent champions of union that they were, would have been the last to surrender to the forces of disintegration.

Federalism, then, has no application to the case of Great Britain. It is an instrument that was invented for the consolidation of States not yet united. The Union of the United Kingdom has been effected without it, and judged by its economic and social results has been a success. That a union of hearts has, in the case of Ireland, been somewhat slow to follow the union of governments is not a matter for grave concern. The spirit and mind that engender nationalism belong to an age that has passed, and though their death seems a slow, it is a certain event. The most unwise policy is to fan and keep alive the perishing flame. The wisest attitude to adopt towards Irish Nationalism is the *laissez faire* attitude; but our modern disciples of the Manchester School abandon it in the one case where it is essential that they should adhere to it.

D. A. E. VEAL.

RELIGIOUS OUTLOOK IN CHINA

BY W. ARTHUR CORNABY

RIGHTLY to understand the present religious outlook in China, it must be borne in mind that China stands for a huge population still far from being all of one pattern, and not yet, by any means as a whole, caught up in the advancing tide of Far Eastern modernism. On the other hand, the modern educational and political developments have undoubtedly affected the religious estimates of the whole nation.

All new importations of thought and feeling in China, as indeed in Asia generally, have a tendency to find their place beside the thought and feeling of the age-long past—without displacing it. In locomotion, the antique wheelbarrow will long survive the starting of the railroad, and the old-fashioned sailboat the well-established river steamer. And just as railway and steamboat passengers form but a small percentage of Chinese travellers, so the new ideas upon all things, much quoted in the West as adopted by "China," have as a fact only entered the heads and modified the lives of a percentage of Chinese within and around the foreign treaty-ports and more modernised centres. It is a truism ever to be borne in mind that the greater part of China is still inland.

The masses of China have found new terms to quote—"Our Republic" among them. And the men have discarded their badge of Manchu servitude, the queue. But away from the great centres the women still bind their little girls' feet as of yore. And in the "new" law courts justice still limps—more, indeed, than the damsels of tightest-bound feet.

As regards up-to-date minds, the impact of new ideas connected with republican freedom made a powerful stir when they were first adopted. In chemistry nascent oxygen, liberated within the molecule itself, causes a powerful reaction, of which the explosion of gunpowder is a familiar example. Thus, in China, there was the sudden revolutionary explosion of two years back, and last year a rebellion which aspired to be a second revolution. At first the zeal of young China was at high-fever heat. In the religious magazines which had been handed over (perhaps too

soon) to advanced young Chinese Christians, it seemed as though considerations of "patriotism" would set in abeyance all topics of piety. The restoration of "the kingdom to Israel" was far more fascinating than the obtaining of pentecostal grace. But, with the collapse of the rebellion, the fever has mostly subsided. China as a whole seems to regard the republic as a condition of freedom to go on much as everyone did before—with the one exception of opium-smoking. That, in most parts, is being drastically, almost savagely, suppressed. And, happily, young Christian patriots now find leisure to consider some of the spiritual concerns which had been temporarily obscured, like the stars, by a salvo of bursting rockets.

Generally, in China, the romance of things incipient and novel is being succeeded by the comparative monotony of the commonplace and ordinary. It is so in regions political. And to the Chinese mind, it seems to be so with the missionary message. In the early years of prejudice and opposition the task of the missionary colporteur (most missionaries travelled with booklets for sale) was not devoid of romance or actual danger. The crowds which everywhere besieged him regarded this visitant from a strange region as having truly infernal antecedents. And the fact that he, this outlandish *thing*, should talk "the words of our great realm," and that his books should be printed with "the written signs of our sages," was the startling anomaly which had most to do with his book-sales. Wherever he had overcome opposition or lived down prejudice, that in itself was hailed by him as a victory. But his real task is now beginning—now that the outward opposition and inward prejudice have become things of the past.

In the incipient stages of church-building, of gathering members, two powerful factors were also at work, quite apart from the actual value of his message. The poorest missionary from the West (in a land where a labourer's earnings were threepence a day) seemed quite rich to the eye of the masses. And many were disposed to seek a more equable division of property 'twixt him and them—or at least to gain from his mission a living wage. Then he represented a potent nation of the West, and was credited with unlimited prestige in the law courts amongst those having clan-quarrels in hand. From both these reasons the Western missionary was a wonderfully attractive personage.

But now, "joining the Admonition assembly" (the Chinese for church) is by no means the only, or the best way, to secure material advantage. And no missionary's voice to-day, if raised in the law courts, would gain a favourable verdict for Chinese adherents. Surrendering all pretensions to political prestige, as the evangelical missionary did some decades ago, he has at last

been taken at his word, both by officials and people. He has only his Gospel (spoken, written, or embodied in medical aid) to commend him. And so that Gospel of his is now on its trial as never before in China.

Till of late years the Chinese had no word for "religion." The nearest approach was "admonition," primarily applicable to the moral exhortations of Confucius, and used, with poetic licence, of Taoism and Buddhism, only after a thousand years. As "moral admonitions" these cults are still held by a few among vegetarian sects and the like. But as ghostly aids to material prosperity (their claims which popularised them among the masses) they have been exposed as inept by the whole of the Chinese press, and a new public opinion has led to many of their temples being divested of idols and used as schools—even in inland regions. With these temples daily reducing in numbers (albeit idolatrous superstitions do not correspondingly diminish), and Christian church buildings everywhere increasing, it may safely be said that, in public estimation, Christianity ranks higher than either Taoism or Buddhism in China. It is so in the popular conscience. But as Christianity is becoming a commonplace in the Chinese mind, and our Chinese preachers and members are not beyond the influence of feeling, there is a danger of that very old characteristic of China—arrested development. In this case with regard to the spiritual side of things.

By that great event, the appeal of the Chinese Government for Christian prayers, the status of Christianity above that of these decadent cults was strikingly affirmed. Since then the older Chinese scholars have set themselves to gain the stated recognition of Confucianism as China's standard system of ethics, now that the Confucian classics have been banished from the curriculum of the schools! But it was not as a system of ethical admonition that Christianity received Government recognition. It was as a *religion* of spiritual touch with the Supreme. The tacit assumption went forth from Peking to the world that Christianity was a religion of prevalent prayer, a needed reminder alike for the West as well as the East. For among the modern inventions for the uplift of nations, no accredited or effective substitute for strong intercession has yet been discovered.

It is thus by continuing to proclaim with the tongue and the printed page, the intense significance of the Cross of our Lord, and the grandeur of soul-salvation from sin, in all its personal and social and national bearings, that we shall prove to the heart and conscience of China that our missions are marshalled and energised by no accepted commonplace, but by the sovereign Christ.

W. ARTHUR CORNABY.

INDIAN AND COLONIAL INVESTMENTS

BY TRUSTEE

FOR another month the Stock Exchange has been troubled by financial difficulties. The measures taken during the preceding month failed to avert the fall of the financial house involved in the difficulties, and the suspension not only of this house, but also of the banking firm of Chaplin, Milne, Grenfell and Co., with which it had some connection, has been the principal financial event of the past few weeks. It is taking the markets a long time to recover from the shock administered by this unfortunate occurrence, especially as there have still been other depressing factors at home and abroad. Irish, Mexican, Brazilian and French politics or finances have all had a share in creating a disturbed atmosphere.

An Indian Government Rupee Loan of 500 lakhs of rupees (£3,333,333) is about to be placed in India, tenders being opened on July 3, and the suggestion has again been made in Parliament that the interest on the part of the outstanding $3\frac{1}{2}$ per cent. Rupee Paper enfaced for payment of interest in London should be payable at the fixed exchange of 1s. 4d. to the rupee. The proposal, however, was not entertained by the India Office, presumably because of the loss that it would involve to the Government.

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
$3\frac{1}{2}$ % Stock (t)	91,211,186	1931	$87\frac{3}{4}$	$3\frac{1}{8}$	Quarterly.
3% " (t)	66,292,732	1948	$73\frac{3}{4}$	$4\frac{1}{8}$	"
$2\frac{1}{2}$ % " Inscribed (t)	11,806,337	1926	62	4	"
$3\frac{1}{2}$ % Rupee Paper 1854-5	..	(a)	$95\frac{1}{4}$	$3\frac{1}{8}$	30 June—31 Dec.
3% " " 1896-7	..	1916	81	$3\frac{1}{2}$	30 June—30 Dec.

(t) Eligible for Trustee investments.
 (a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	74½	4
Bengal and North-Western (Limited)	3,000,000	8	100	153	5 ³ / ₈
Bengal Doocars, L.	400,000	6	100	103½	5½
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	6½	100	115	5½
Burma Guar. 2½% and propn. of profits	3,000,000	5	100	109	4 ¹ / ₈
Delhi Umballa Kalka, L., guar. 3¼% + } net earnings }	800,000	10	100	186½	5 ⁵ / ₈
East Indian Def. ann. cap. g. 4% + ½ } sur. profits }	1,697,154	6½	100	98½	6 ⁹ / ₁₆
Do. do, class "D," repayable 1953 (t)	4,852,846	5 ⁵ / ₈	100	120	4 ¹ / ₈
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	74	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	98	4 ¹ / ₈
Do. 3% Gua. and ¼ surp. profits 1925 (t)	2,575,000	5½	100	100	5 ⁵ / ₈
Madras and South Mahratta	5,000,000	5	100	115	4 ⁵ / ₈
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	97	5½
Do. 3½% red. mort. debts.	1,063,300	3½	100	80	4½
Rohilkund and Kumaon, Limited.	400,000	8	100	154½	5½
South Behar, Limited	379,580	5	100	103	4½
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	109	4½
Southern Punjab, Limited	1,000,000	10	100	164	6 ¹ / ₈
Do. 3½% deb. stock red.	500,000	3½	100	81	4 ⁵ / ₈
West of India Portuguese Guar. L.	800,000	5	100	92	5 ⁷ / ₈
Do. 5% debenture stock	550,000	5	100	101	4 ¹ / ₈
BANKS.					
		Number of Shares.			
Chartered Bank of India, Australia, } and China }	60,000	17	20	66	5½
National Bank of India }	80,000	16	12½	42	4½

(t) Eligible for Trustee investments.

Canadian securities have been overshadowed by the suspension of the Canadian Agency in London, causing heavy falls in the securities of the companies with which it had intimate relations, and in the other Canadian securities which had been speculatively involved. The affair has caused an exceedingly unpleasant sensation among investors generally, and it is especially unfortunate that the name of Canada should thus have been brought into association with troubles the blame for which must lie mainly outside Canada.

These troubles were largely responsible for the scanty public response accorded to the latest issue of stock by the Dominion of Canada, for the prospectus made its appearance simultaneously with the announcement of the suspension. Five millions sterling of 4 per cent. stock, redeemable 1940-60, was offered through the Bank of Montreal at 98; but as much as 88 per cent. of the total issue went to the underwriters, the public subscribing for only 12 per cent. The issue was made primarily for the completion of the Eastern Division of the National Transcontinental Rail-

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	89	4½	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	88	4½	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	77z	4½	1 Jan.—1 July.
MANITOBA,					
4% Regd. Stock . .	1,915,000	1950	92	4½	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	91	4½	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	82	4½	1 Jan.—1 July.
ONTARIO.					
3½% Regd. Stock . .	1,200,000	1946	85	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	81	4½	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,098,492	1951	88z	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	98	5½	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	91	5½	1 Jan.—1 July.
Montreal 4%	2,400,000	1948-50	92	4½	1 May—1 Nov.
Quebec 4% Debs. . .	384,700	1923	96	4½	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5½	1 Jan.—1 July.
Toronto 4% Bonds . .	300,910	1922-28*	95	4½	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	90	4½	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.
(z) Ex dividend.

way, but also for other public works, including the Welland Ship Canal, Halifax, St. John, and other harbour improvements.

Grand Trunk Railway stockholders are to be congratulated on the rapidity with which Mr. Smithers, their chairman, fixed up with the Government the guarantee of a further £3,200,000 of 4 per cent. bonds for the completion and equipment of the Mountain Section of the Grand Trunk Pacific Railway. With the necessary capital thus assured, the stockholders can view the new railway's prospects with less anxiety. The Grand Trunk Company has placed £2,000,000 of one-year bills on a 4½ per cent. in the London money market for the purpose of advances to

CANADIAN RAILWAYS, BANKS AND COMPANIES

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,600,000	10	\$100	193½	5
Do. 4% Preference . . .	£15,173,563	4	Stock	92	4½ ⁵ / ₈
Do. 4% Cons. Deb. Stock . . .	£32,725,883	4	"	97x	4½
Grand Trunk Ordinary . . .	£22,475,985	nil.	"	17½	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	96	5½ ³ / ₈
Do. 5% 2nd " . . .	£2,530,000	5	"	84	5½ ⁵ / ₈
Do. 4% 3rd " . . .	£7,168,055	2½	"	38½	6½
Do. 4% Guaranteed . . .	£12,215,555	4	"	80	5
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	111	4½
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	87	4½ ⁹ / ₈
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	236	5½
Bank of British North America	20,000	8	50	77	5½ ³ / ₈
Canadian Bank of Commerce .	200,000	12	\$50	£202	6
Canada Company	8,319	50s. per sh.	1	21½	11½
Hudson's Bay	1,000,000	50	1	8½	5½
Trust and Loan of Canada . .	100,000	8½	5	6½	6½ ³ / ₈
Do. new	25,000	8½	3	8½	8½
British Columbia Elec- } Def.	£1,440,000	8	Stock	111	7½ ³ / ₈
tric Railway . . . } Prefd.	£1,440,000	6	Stock	105	5½ ¹ / ₈

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds . . .	2,178,800	1941-7-8*	88	4½	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	78	4½ ⁵ / ₈	
4% Inscribed Stock . . .	320,000	1913-38*	99	4½	
4% " " . . .	417,313	1935	99x	4½ ⁷ / ₈	
4% Cons. Ins. " . . .	200,000	1936	98x	4½	
3½% Inscribed, 1910 . . .	800,000	1950	88x	4½	

* Yield calculated on latest date.
(x) Ex dividend.

the Grand Trunk Pacific pending the issue of the guaranteed bonds.

Like a good many other Canadian undertakings, the Hudson's Bay Company has been adversely affected during the past year by the monetary stringency and industrial depression that have prevailed in the Dominion, but it is still paying the very satisfactory dividend of 40 per cent. for the year. The company has now reached an exceedingly interesting stage, for the great stores that have recently been erected in various Canadian cities ought soon to become more fully remunerative and form a more substantial source of profit for the company.

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	100	4 $\frac{1}{8}$	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	95	4 $\frac{3}{8}$	
3% " " (t)	12,475,800	1935	83	4 $\frac{1}{2}$	
VICTORIA.					
4% Inscribed, 1885 .	5,959,500	1920	100	4 $\frac{1}{2}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,981,750	1921-6†	94	4 $\frac{5}{8}$	
3% " (t) . .	5,211,331	1929-49†	80	4 $\frac{1}{8}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	100	4 $\frac{3}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	95	4 $\frac{5}{8}$	
3% " " (t)	4,274,213	1922-47†	80	4 $\frac{3}{8}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	100	4 $\frac{1}{2}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,283,200	1916-7-36†	100	4	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	90	4 $\frac{1}{2}$	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	88	4 $\frac{3}{8}$	
3% " " (t)	2,760,100	1916 † or after.	74	4 $\frac{1}{8}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	92	4 $\frac{1}{8}$	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t)	3,750,000	1915-35†	86	4	
3% " (t)	2,500,000	1927	89x	4 $\frac{1}{8}$	
TASMANIA.					
3 $\frac{1}{2}$ % Insbd. Stock (t)	4,156,500	1920-40†	90	4 $\frac{3}{8}$	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	98	4 $\frac{5}{8}$	
3% " " " (t)	450,000	1920-40†	80	4 $\frac{5}{8}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

(x) Ex dividend.

Although £500,000 of new capital was ranking for full dividend, the Bank of New South Wales was able to maintain its usual rate of 10 per cent. for the half-year ended March 31 without encroaching on the allocation of £100,000 to reserve, and with only a slight reduction of the carry forward, which amounts to £69,400 against £87,500 a year ago. The reserve, with the latest addition, amounts to £2,450,000.

Full details have now been received of the results for the past financial year of the Bank of Adelaide, whose preliminary dividend announcement we have already recorded. The deposits at the date of the balance sheet amounted to £4,834,700 against £4,101,900 a year ago.

The liquid assets at £2,988,600 showed an increase of nearly £600,000. The Western Australian Bank, for which the

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. } of Works 4% Debs. }	1,000,000	1921	99	4½	1 Apl.—1 Oct.
Do. City 4% Deb.	850,000	1915-22*	99	5½ ⁵ / ₈	
Melbourne Trams } Trust 4½% Debs. . . . }	1,650,000	1914-16*	102	4½	1 Jan.—1 July.
S. Melbourne 4½% Debs. . . .	128,700	1919	102	4½	
Sydney 4% Debs.	300,000	1919	100	4½ ⁵ / ₈	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff	12,000	% 5	5	5½	4½
Do. 4½% Irred. Deb. Stock	£130,900	4½	100	92	4½
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	123	5½
Bank of New South Wales	125,000	10	20	42½	4½ ¹ / ₈
Union Bank of Australia £75	80,000	14	25	59	5½
Do. 4% Inscribed Stock Deposits	£600,000	4	100	99	4
Australian Merc. Land & Finance £25 . . .	80,000	15	5	7½	9½
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	92½x	4½ ⁵ / ₈
Dalgety & Co. £20	154,000	8	5	7	5½ ¹ / ₈
Do. 4½% Irred. Deb. Stock	£509,749	4½	100	101	4½ ¹ / ₈
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£994,105	4	100	85½	4½
Do. B Income Reduced	£667,983	5	100	96½	5½
South Australian Company £15	14,200	£4	£4	67½	5½
Trust & Agency of Australasia	54,979	12½	1	1½	9½ ¹ / ₈
Do. 5% Cum. Pref. Stock	1,000,000	5	100	103½	4½ ³ / ₈

(x) Ex dividend.

Bank of Adelaide acts as London agent, is again paying the satisfactory dividend of 20 per cent. per annum, and while this distribution absorbed £25,000, as much as £20,000 was put to the reserve, bringing it up to nearly £700,000 against a paid-up capital of £250,000.

For the financial year ended March 31st the Bank of New Zealand enjoyed a net profit of £388,500, or £6,000 more than for the preceding year. After meeting the guaranteed interest and the 10 per cent. preference dividends, a dividend and bonus amounting to 15 per cent. was paid on the ordinary shares, £40,000 written off bank premises, and £175,000 added to the reserve, leaving £51,600 to be carried forward, against £43,100 brought in. The reserve now amounts to £1,550,000.

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,800	1914	101½	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,778,302	1929	99½	4½ ¹ / ₈	1 May—1 Nov.
3½% Stock (t)	17,568,932	1940	89	4½	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	80	4½ ³ / ₈	1 Apr.—1 Oct.

(t) Eligible for Trustee investments.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb.	200,000	1934-8*	106	4½ ⁵ / ₈	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	101	4½ ³ / ₈	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	10½	4½ ⁵ / ₈	—
Do. 4% Gua. Stock‡	£1,000,000	1914	99½	4½	April—Oct.
Christchurch 6% Drainage Loan. }	200,000	1926	112	4½	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% }	200,000	1929	111	5½	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs. }	300,000	1920	102	5	
Do. 5% Debs. }	200,000	1928	101	5½ ¹ / ₈	
National Bank of N.Z. } £7½ Shares £2½ paid }	300,000	div. 13%	5½ ⁷ / ₈	5½ ⁵ / ₈	Jan.—July.
Oamaru 5% Bds. }	173,800	1920	99	5½ ¹ / ₈	1 Jan.—1 July.
Otago Hbr. Cons. Bds. } 5% }	443,100	1934	104	4½ ³ / ₈	1 Jan.—1 July.
Wellington 6% Impts. } Loan }	100,000	1914-29	102½	—	1 Mar.—1 Sept.
Do. 6% Waterworks }	130,000	1929	111½	5	1 Mar.—1 Sept.
Do. 4½% Debs. }	165,000	1933	99	4½ ¹ / ₈	1 May—1 Nov.
Westport Hbr. 4% } Debs. }	150,000	1925	98	4½ ⁵ / ₈	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

At the time of writing, the lists are still open for an issue of £4,000,000 of 4 per cent. Debentures of the Union of South Africa Government at 97½. The whole of the proceeds will be used to redeem outstanding Treasury Bills. The Debentures are redeemable on June 1st, 1924, but the Government has the option of redeeming the whole or part on or after June 1st, 1919, on giving three months' notice.

According to the full report and accounts of the National Bank of South Africa that have now been issued in London, the deposit and other accounts at March 31 amounted to £16,675,284. The cash, remittances in transit and native gold on hand and in transit amounted to £3,519,194, and the money in London at call and short notice to £1,474,076.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Consold. 4% Stock (t).	8,000,000	1943-63	98½	4½	1 Mar.—1 Sep.
CAPE COLONY.					
4½% Bonds	£ 184,600	dwgs.	101	4⅞	15 Apr.—15 Oct.
4½% 1888 Inscribed	3,636,395	1923	100	4	1 June—1 Dec.
4% 1886 "	9,596,166	1916-36*	100	4½	15 Apr.—15 Oct.
3½% 1886 " (t).	14,890,744	1929-49†	89	4⅞	1 Jan.—1 July.
3% 1886 " (t).	7,484,740	1933-43†	81	4⅞	1 Feb.—1 Aug.
NATAL.					
4½% Bonds, 1876	753,700	1919	103	4	15 Mar.—15 Sep.
4% Inscribed (t)	3,013,444	1937	101	3⅞	Apr.—Oct.
3½% " (t)	3,714,917	1914-39†	90	4⅞	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	80	4½	1 Jan.—1 July.
TRANSSVAAL.					
3% Guardd. Stock (t)	35,000,000	1923-53†	93	3⅞	1 May—1 Nov.

* Yield calculated on earlier date of redemption.
 † Yield calculated on later date of redemption.
 (t) Eligible for Trustee Investments.

Further recovery was shown by the last monthly return of the aggregate gold production from the Transvaal, which was the best since last August. If the present rate of progress is maintained, the output will in a few months' time reach what it was before the miners' strike. This statement gives the monthly returns for several years past :

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January	2,768,470	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836
February	2,660,186	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892
March	2,917,346	3,358,050	3,528,698	2,871,740	2,578,877	2,580,498
April	2,904,924	3,334,358	3,133,383	2,836,267	2,629,535	2,573,804
May	3,059,340	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699
June	—	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818
July	—	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965
August	—	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646
September	—	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760
October	—	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902
November	—	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146
December	—	2,857,938	3,297,962	3,015,499	2,722,775	2,569,822
Total *	14,310,266	37,353,040	38,757,560	34,991,620	32,002,912	30,925,788

* Including undeclared amounts omitted from the monthly returns.

The recovery in production has been achieved despite the slow progress indicated by the native labour returns, May bringing a net gain of only 428 hands on the month. The following table shows the course of the native labour supply for the gold mines this year and last :

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1913 .	8,774	200,090	January 1914 .	4,190	154,202
February " .	7,572	207,662	February " .	3,471	157,673
March " .	71	207,733	March " .	5,142	162,815
April " .	2,309*	205,424	April " .	2,190	165,005
May " .	7,780*	197,644	May " .	428	165,433
June " .	8,550*	188,094	—	—	—
July " .	17,852*	170,242	—	—	—
August " .	12,019*	158,223	—	—	—
September " .	5,586*	152,637	—	—	—
October " .	3,755*	148,832	—	—	—
November " .	1,313*	147,569	—	—	—
December " .	2,443	150,012	—	—	—

* Net loss.

There was a slight set-back in Rhodesia's gold output for May, but the total was still much better than any previous return except the record production of the preceding month, as is indicated by the following statement, giving the returns month by month for several years past:

Month.	1914.	1913.	1912.	1911.	1910.	1909.
	£	£	£	£	£	£
January . .	249,032	220,776	214,918	207,903	227,511	204,666
February . .	259,888	208,744	209,744	203,055	203,888	192,497
March . . .	273,236	257,797	215,102	231,947	228,385	202,157
April . . .	295,907	241,098	221,476	221,296	228,213	222,700
May	290,062	242,452	234,407	211,413	224,888	225,032
June	—	241,303	226,967	215,347	214,709	217,600
July	—	249,301	240,514	237,517	195,233	225,234
August . . .	—	250,576	239,077	243,712	191,423	228,296
September .	—	250,429	230,573	225,777	179,950	213,249
October . . .	—	247,068	230,072	218,862	234,928	222,653
November . .	—	239,036	225,957	214,040	240,573	236,307
December . .	—	254,687	218,661	217,026	199,500	233,397
Total . . .	1,368,125	2,903,267	2,707,368	2,647,895	2,569,201	2,623,788

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Bloemfontein 4% . .	£ 763,000	1954	90	4 $\frac{1}{2}$	1 Jan.—1 July.
Cape Town 4% . . .	1,851,850	1953	93	4 $\frac{7}{8}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	92	4 $\frac{1}{2}$	30 June—31 Dec.
Johannesburg 4% . .	5,500,000	1933-4	91	4 $\frac{1}{2}$	1 April—1 Oct.
Krugersdorp 4% . . .	72,535	1930	91	4 $\frac{1}{2}$	1 June—1 Dec.
Pietermaritzburg 4% .	814,855	1949-53	89	4 $\frac{1}{2}$	30 June—31 Dec.
Port Elizabeth 4% . .	369,068	1964	90	4 $\frac{1}{2}$	30 June—31 Dec.
Pretoria 4%	1,146,500	1939	90	4 $\frac{1}{2}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	91	4 $\frac{1}{2}$	1 Jan.—1 July.

Shareholders of the British South Africa Company are anxiously awaiting the report for the year ended March 31st, 1913; but the reasons advanced by the directors for the delay

in issuing it seem reasonable enough. They evidently deem it politic to avoid anything that might prejudice the two important matters now under consideration—the question of land-ownership being before the Judicial Committee of the Privy Council, and the question of the revision of the company's Charter being under the consideration of the Imperial Government. Moreover, it is intended, when the report and accounts are issued next November, to present also the accounts for the year ended March 31st, 1914, which in the ordinary course would not be ready until next January.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	87	5 $\frac{1}{8}$
Rhodesia Rlys. 5% 1st Mort. Debs.) guar. by B.S.A. Co. till 1915. . . . }	£1,931,800	5	100	93 $\frac{1}{2}$	5 $\frac{1}{8}$
Trans-African 5% Debs. Red.	£1,843,800	5	100	82 $\frac{1}{2}$	6 $\frac{1}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	120,000	8	5	5 $\frac{1}{2}$	7 $\frac{1}{2}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{3}{8}$	7 $\frac{9}{16}$
National Bank of S. Africa £10	132,130	6	10	11 $\frac{3}{8}$	5 $\frac{1}{8}$
Standard Bank of S. Africa £20	309,705	14	5	11 $\frac{3}{8}$	5 $\frac{1}{8}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	6 $\frac{1}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	11 $\frac{5}{8}$	9
British South Africa (Chartered)	8,937,559	nil	1	1 $\frac{3}{8}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	103 $\frac{1}{2}$	4 $\frac{3}{8}$
Natal Land and Colonization	68,066	7	5	4	8 $\frac{1}{2}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2	—
Kimberley Waterworks £10	45,000	5 $\frac{1}{2}$	7	6 $\frac{1}{2}$	6 $\frac{1}{8}$

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3 $\frac{1}{2}$ % ins. (t)	375,000	1925-42†	88	4 $\frac{1}{2}$	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	78	4 $\frac{3}{8}$	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	101	4	15 Feb.—15 Aug.
Do. 3% ins. (t)	2,850,000	1940	82	4 $\frac{1}{2}$	1 May—1 Nov.
Hong-Kong 3 $\frac{1}{2}$ % ins. (t)	1,485,733	1918-43†	88	4 $\frac{1}{2}$	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . .	1,099,048	1934	101	4	15 Feb.—15 Aug.
Do. 3 $\frac{1}{2}$ % ins. (t) . . .	1,493,600	1919-49†	89	4 $\frac{1}{2}$	24 Jan.—24 July.
Mauritius 3% guar.) Great Britain (t) . . }	600,000	1940	91	3 $\frac{9}{16}$	1 Jan.—1 July.
Do. 4% ins. (t)	482,390	1937	100	4 $\frac{1}{2}$	1 Feb.—1 Aug.
Sierra Leone 3 $\frac{1}{2}$ % ins. (t)	729,848	1929-54†	89	4 $\frac{1}{8}$	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	100	4 $\frac{1}{8}$	15 Mar.—15 Sep.
Do. 3% ins. (t)	600,000	1922-44†	77x	4 $\frac{1}{8}$	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . . }	120,000	Div. £4 $\frac{1}{2}$	£84	5 $\frac{1}{8}$	Feb.—Aug.

* Yield calculated on shorter period. † Yield calculated on longer period.
(t) Eligible for Trustee investments.
(x) Ex dividend.

Another Crown Colony issue has been placed during the month. It consisted of £1,035,000 of Gold Coast Government of 4 per cent. Inscribed stock, 1939-59, offered at 98½. This stock is a full trustee security, and can now be obtained at a small discount.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (£) .	£7,044,900	3	99	93	3 $\frac{3}{8}$
" Unified Debt	£55,971,960	4	100	99 $\frac{1}{2}$	4
National Bank of Egypt	300,000	8	10	14 $\frac{1}{4}$	5 $\frac{9}{8}$
Agricultural Bank of Egypt, Ordinary	496,000	6	5	4 $\frac{3}{4}$	6 $\frac{5}{8}$
" " " Preferred	125,000	4	10	7 $\frac{1}{8}$	5 $\frac{1}{8}$
" " " Bonds .	£2,850,000	3 $\frac{1}{2}$	100	79 $\frac{1}{2}$	4 $\frac{3}{8}$

(t) Eligible for Trustee investments.

TRUSTEE.

25th June, 1914.

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