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London, England

THE MODERN BRITISH STATE

An Introduction to the Study of Civics

BY

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LONDON

GEORGE PHILIP & SON, LIMITED, 32, FLEET STREET

Liverpool: PHILIP, SON & NEPHEW, LTD., 20, Church Street

Mackinder, Halford John, 1861–

The modern British state; an introduction to the study of civics, by H. J. Mackinder ... London, G. Philip & son, limited [1914]

viii, 270 p. 19^{cm}. (Mackinder's geographical and historical studies. v. 6)

1. Great Britain. I. Title.

A 15-742

Title from Wisconsin Univ. Printed by L. C.

PREFACE

This book is not propagandist either on behalf of what has been, or is, or might be. It aims at giving a description of the social organism which is known as the United Kingdom. It states how existing facts have come to be in order to make their relations clear, but it has nothing to do with the remedies proposed for the misfits which may have developed in the course of recent growth.

Both economic and legal phenomena are dealt with, for it is impossible to separate them in a concrete description. Nor is attention confined to the organization of Government in the strict sense. In our modern society great companies or corporations, although technically no more than artificial persons before the law, have yet for practical purposes power often as far reaching as those of a Local Authority or even of a Government Department. In a great manufacturing company the Board of Directors, the Factory Inspector, and the Trade Union are, from the point of view of the employees, authorities of almost co-ordinate

importance. To take another example, the Board of Trade, the London Port Authority or the Mersey Dock Trust, and the Peninsular and Oriental Company or the Cunard Company form a series of great authorities, to each of whom the Legislature has given power of subordinate legislation. Laws are no doubt of more general operation than by-laws, but the by-law often interferes more intimately with the freedom of individual initiative, and the same ultimate sanction is behind both. The Home Office, the Navy, the Army, the Post Office, the Bank of England, the London & North-Western Railway Company, the Trade Union of the Amalgamated Engineers, and the University of Oxford are all alike organs for the co-ordination of life in our Body Politic.

In the historical sections of this book it is presumed that the reader has knowledge equivalent to that contained in the preceding books of the series.

H. J. MACKINDER.

March, 1914.

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AN INTRODUCTION TO THE STUDY OF CIVICS

CHAPTER I

AN AGRICULTURAL VILLAGE

Production

We are standing on a hill in the English plain. At our feet is spread a rich landscape of field and wood. There is a bite in the air which tells of the fall of the year, but the trees are yet green and the stubble in the fields is golden. Nestling amid the foliage far away to the horizon are the towers and spires of the village churches, and from beside them go up wreathes of blue smoke, for it is the hour of sunset, and the fires are being lit on the cottage hearths. There are some thirteen thousand of these agricultural villages in England and Wales, each with a few hundred inhabitants. Together they constitute the oldest England. From them, and others like them in Scotland and Ireland, have gone forth the men and women who have built our great cities.

Let us go down into one of these villages. We walk along the street with the cottage doors on either hand. It may be a well-kept village with pretty gardens, and curtains to the windows, and flowers on the sills, or it may be neglected and unkempt. In either case, however, we have the same little group of homes. Most numerous are the cottages of the labourers. There may be a farmhouse or two with their farmyards. There will be two or three shops—a baker, and a grocer, and perhaps a butcher. On one cottage we see it written up that boots are mended within. At the fourways are the blacksmith's forge and the public house. Near the church are the parsonage and the school-house. The church itself is several centuries old. Its graveyard is peopled by many past generations, but on the gravestones you may read the names of the families still living in the district, for a stranger rarely settles in one of these villages.

Let us enter one of the cottages. The evening meal is being cooked. The family is gathered together—father, mother, and children. The father is home from his work in the fields; the children are back from school. The father is the chief bread-winner. He sells his labour, and is paid by weekly wages. At harvest time the mother and children are also earners, and the school is often closed. How does this family spend its money? It needs food, and clothing, and house, and fuel.

Its weekly budget will stand somewhat thus:—

Income.	s. d.	Expenditure.	s. d.
Wages of John Smith ..	18 0	Food	10 0
		Clothing	4 0
		Rent of Cottage	2 0
		Fuel	1 0
		Health Insurance ..	4
		Pocket Money	2
	18 0		18 0

This is the average wage of an ordinary labourer, but part of it may be paid in kind, *e.g.* cottage rent free, fuel, milk. The wife and children may add money during the harvests.

Another family lives in the adjoining farmhouse, perhaps with a servant who sells her service for wages. The farmer directs the work of his labourers, and finds them their wages. For his land he pays a rent. The money for these purposes he obtains by selling the produce of his farm. When he has paid wages, and rent, and has bought the live and dead stock he needs, the balance of the money which remains to him is spoken of as his profit.

His annual budget will stand somewhat thus:—

Income.	£	Expenditure.	£	£
Gross Produce	900	Rent of 150 acres		150
Less produce put back into the land, and live and dead stock and seeds and artificial manures bought ..	350	Wages of shepherd or cattleman at £1 a week	52	
		Wages of 3 labourers at 18*s.* a week ..	140	
		Wages of women and boys (occasional)	30	
				222
		Rates and Taxes		14
				386
		Profit		164
	550			550

The profit must be dissected into interest on capital (say 5 per cent. on £1200) £60; and wages of supervision £104, or £2 a week.

Thus we see that the labourer lives upon wages, but the farmer upon profits. The wages do not rise or fall much from week to week or from year to year, but profits may vary greatly. They may be large in a good year, but in a bad year there may be a loss, and the farmer has then to live on what he made in former years or on what he can borrow.

If we had visited this countryside several hundred years ago what should we have found? Probably the church was standing as it stands to-day, and around it was the graveyard, though with fewer graves, but there was no school and there were no shops. The street was deep with mud or dust, a mere track with large holes in it. The cottages were built of wood, plastered with mud, and thatched with straw. Around the village were strips of cornland, but without hedges, and beyond these cultivated strips lay the open common, the down, and the wood. The villagers had their cattle and sheep on the common, and their pigs in the wood, feeding on the acorns and beech nuts. By the stream there was probably a water-mill, where the miller ground the corn, and kept some of the flour for himself in payment. The chief man of the district lived in a manor-house, built mainly of oak and only partly of brick. At an earlier time he dwelt in a castle with a moat round it. The cottagers or villeins cultivated his ground for him on so many days in the year, and

in return held of him their strips of the village land. There was little or no money in the country then, and rents were paid in kind or in labour. Each man built his own hut with timber taken from the wood, and thatched it himself, and brought home fuel to burn on his fire. The meat that was to feed him and his family in the winter was smoked in the chimney. His wife spun and wove the clothes from the wool of his sheep.

How does the village of to-day differ from such a village of the Middle Ages? There is running through it a good road. The cottages are built of brick and roofed with tile or slate. The clothes are bought in the shops, and are neater and more varied than those which were made at home. Enclosed fields have taken the place of the former open strips of cultivation, and the ground has been drained, and produces heavier crops than in former times. But the chief of all the changes is that each family is free to leave the village, for the labourers are now paid by wages in money, and have no service to render to the Lord of the Manor so many days in the year.

What causes have brought about these changes? In the first place, there has been a division of labour. In the second place, there is a greater use of money. In the third place, the farmers and the landlords have now much capital employed in the cultivation of the ground, and the local authorities have spent capital in the

construction of roads. Let us consider each of these causes separately.

In the old village there were no shops. Each home spun and wove its own clothes and baked its own bread. To-day for money we may obtain cheaper and better clothes, and cheaper and better bread. The man who spends his whole time making bread is likely to make it better, and quicker, and therefore more cheaply than the housewife who baked once a week. Our clothes to-day are spun and woven in great factories with far less expenditure of time and with much more skill than in the homes of old.

On the farms themselves there is also division of labour. One man is a shepherd and another is a cattleman. These men have skill and earn higher wages from the farmer than do the ordinary labourers. They know how to take greater care of the sheep and of the cattle, and thus they save the farmer from loss. The farmer himself, by giving his time to the planning of the farm work, and to buying well and selling well in the neighbouring market, is able to make the work of his labourers more productive than it would be were they working separately. Thus the division of labour as between the farmer and his men results in a greater and cheaper production, just as does the division of labour between the cottagers and the shopkeepers. Here, then, is the first great difference between the old village and the modern

village. Formerly all the villagers were just workers on the land. Now each has his own calling.

The annual budget of a modern village would stand somewhat thus :—

Income.	£	Expenditure.	£
Net proceeds of sales by ten farmers (see p. 3) ..	5500	Rent of ten farms ..	1500
		Wages of ten shepherds and cattlemen	520
		Wages of thirty labourers	1400
		Wages of women and boys	300
		Rates and Taxes ..	140
		Profits of ten farmers ..	1640
	5500		5500

The shopkeepers do not directly add to the produce of the village, but they economise the time of the producers. They serve both farmers and labourers. Their annual budget will stand somewhat thus :—

Income.	£	Expenditure.	£
Share of wages spent at three shops (say about two-thirds)	1500	Goods bought from miller and from wholesale firms	1260
		Goods bought from farmers	300
Share of profits spent at three shops (say about one quarter) *	400	Rent of three shops ..	30
		Rates and Taxes	10
		Profit of three shops ..	300
	1900		1900

It is clear, however, that though some men and women now work in the fields and gardens to produce food, and others build houses, and others

* The farmers shop mainly in the market town.

spin and weave clothes, and others keep shops, yet all have certain needs which must be satisfied. We all want food, and a house to live in, and clothes to wear. Therefore with the division of labour there came also the need for money. It is true that to a small extent we might have division of labour and yet do without money. We might barter the goods which we produce one with another. Thus we might give some of our corn to the miller in return for the use of his mill. Or we might give potatoes from our garden to the baker in return for bread. But such barter is as a rule inconvenient. The baker might not want as many of our potatoes as would suffice to buy the bread which we need. Either we should have to go short of bread, or the potatoes would rot in the baker's cellar, or the baker would have to find some one who would sell him clothes in return for his surplus of potatoes. All these difficulties are got rid of by the use of money.

A villein or serf gave so many days' labour to the Lord of the Manor, and in return had the use of a strip of the village land. The labourer now receives a weekly wage in money. Thus he has become a free man. If he chooses he may leave the village and go to a town, and there may earn his wages in a factory.

As a result of the division of labour, and of the skill and saving of time which have ensued, great wealth has accumulated in our country. More

food is grown than is necessary to support the farm labourers and their families. This extra food is available to keep men who do work which returns no immediate harvest of food. It may be used, for instance, to feed road-makers, with the result that in the place of the old muddy track along which only pack-horses could go and no wheeled traffic, we have fine hard roads. As the years go by the country becomes richer because of these roads. The farmers spend less of their time driving to market, and have more time to give to their farms. They are able to send their produce to be sold in the towns for a higher price than it would fetch in the village. The goods, moreover, which are on sale in the village shops are brought out from the towns at less cost than formerly. Thus the cottagers can buy more cheaply, and so their wages go further.

Of course, we do not wait till the end of the year and then take the wheat which remains over and use it to feed the makers of the roads. The farmer sells his wheat to the miller, and with the money pays the wages of his men. He has still money over, and with some of this he pays rates to the local authority, and that authority in turn employs and pays the road-makers, who buy bread made of the flour which has been ground by the miller.

Thus we see that some of the money earned by the farmer is devoted to feeding the families who

work upon the farm. But another part of the farmer's money goes in rates. It is used to pay for works which remain in after years to hasten and ease his business. Such money is called capital. All capital is the result of saving.

Let us take a simple example. Let us say that one of our villagers is a successful market gardener. He employs workpeople and pays wages to them. He pays rent to the landowner, and he pays rates to the local authorities for the supply of water, for the maintenance of the roads, and for other like purposes. When he has paid all these sums he may still have a considerable profit, and even after he has fed and clothed his family, there may still remain to him a surplus of money. He might spend this surplus in the public house, or his wife might spend it in fine clothes, but he is a thrifty man, and he keeps it. After a few years he has money enough to build a house for himself. He employs a builder, who buys bricks and pays the wages of workpeople. When the house is finished our friend, the successful and thrifty gardener, will no longer have to pay rent, for he is now the owner of the house he lives in. That house is his capital: it has been built out of his savings: and the reason why he has saved instead of indulging himself and his family is that he wanted to live rent free. A man expects pay for saving as well as for working.

Let us now suppose that, growing old, our gardener gives up gardening, and that he retires

from business. He leaves the village and goes elsewhere, to live near his children who are grown up. Will he not let his house to some one who will pay him rent for it? His tenant will be paying for the use of his capital, or in other words, for the use of the house which was built out of the money saved from the profits of market gardening. It may, however, happen that some one who has himself saved money buys the house for a sum down. Our friend who is retiring might in that case take his capital, which would now be in the shape of money instead of a house, and put it into the bank. The bank would allow him interest, and upon that interest he would live, instead of upon the rent paid by his tenant. The bank would lend the money to some one else, and would take interest from the borrower. Quite possibly the borrower might wish to build a house of his own. Then we should have this series of facts—the gardener saves capital out of his profits; the capital is paid in wages to builders and becomes a house; the house is sold and the capital of the retired gardener becomes money again, or, as we say, becomes liquid; it is deposited at interest with the bank; by the bank it is lent at interest to pay the wages of builders who erect another house; and so on as long as you like.

Thus we see that we progress from barbarism to civilisation by division of labour and by saving; but that it needed the invention of money to make

the labourer free to work where he chose, and to make savings or capital liquid. We must not forget, however, that although the capital of our gardener is liquid and can be turned from money into a house and back into money, yet the house once built remains. Capital is fixed in the house. The food which was saved after the labourers on the land had been fed, was eaten once for all by the builders. What happened when the house was sold was that an exchange was effected between the savings of two men : the one had his savings in the form of a house, the other in the form of money. Only in that sense is capital liquid.

Not merely are money and houses capital, but also ploughs, and cart-horses, and hedges, and ditches, and roads. When we leave the village we find capital in the form of railways, docks, factories, and steamers. None of these things were made by our savage ancestors, because in a year a man could only grow with his unskilled labour so much food and so much wool as were necessary to feed and clothe himself and his family. Only when division of labour made him more skilful, and only when the habit of saving had enabled him to equip himself with implements, and stock, and machinery, and roads, did he become civilised.

We measure saving, just as we measure labour and skill, by means of money. If a man is very skilful we pay him high wages ; if he has saved much and out of his saving has built a good house,

we are willing to pay him a large sum for that house, or to pay him considerable rent for its use. As the result of division of labour and of saving of capital even those who to-day earn humble wages can buy with those wages better houses, and clothing, and food than could their ancestors, and moreover, they have roads, and schools, and parks, and libraries for their use, because much capital is owned by the public authorities, who have obtained it from the rates. If large sums are required by the authorities, they are borrowed on the security of the rates from those who have saved money. In other words, the authorities promise to pay the interest out of the rates. Should they repudiate their promise, no one would lend them money again.

Labour and capital must go hand-in-hand in a modern country. We cannot create capital without labour, but, on the other hand, most of the wages that are paid to-day come out of capital. Even the farmer in our village must have capital. He earns no money until he has crops or animals to sell, but he must start with money to buy seed and stock, and to pay the weekly wages of his men during his first year. Either he must himself have saved that money, or his father before him must have saved it, or he must borrow it and pay interest to some one who has saved it.

In theory the rent of agricultural land is not the same as the rent of a house. One acre may be

more fertile than another, or may be nearer to a market. In other words rent may be paid for natural facilities, and not as the recompense for saving. Practically, however, the distinction is unimportant in the rural districts of our country. British landowners in this and past generations have spent enormous sums in clearing away wood, in drainage, in hedging and ditching, in the construction of accommodation roads, and in farm buildings. The aggregate rents of our farms cannot much exceed the interest on these sums. The practice in most parts of the country is for the landowner to effect permanent improvements, and for the farmer to contribute the movable stock, and the seeds and manures whose value is exhausted in a comparatively short time.

According to the Census of Production and the Income Tax Returns the agricultural produce of Great Britain may be accounted for in the following manner :—

	£ millions.	£ millions.		£ millions.
Gross Produce		230	Rents	30
Less Produce put back into land	£ millions. 80		Wages (weekly and occasional)	50
Artificial manures, etc.	30		Farmers' profits (including £6,000,000 rents to working owners) ..	40
	—	110		
Net Produce		120		120

The net agricultural produce of Ireland is about £40,000,000 a year, so that the total for the United Kingdom is about £160,000,000.

CHAPTER II

A COUNTRYSIDE

Law and Order

In the last chapter we saw how money promotes both the division of labour and the saving of capital. But money alone would not suffice. There must be security, and this we establish by means of the law.

In every third or fourth village in a countryside you will find a house inhabited by a policeman. By day and night the police patrol the district. It is their duty to maintain order, without which both division of labour and saving would be useless. If we are to divide our work and to sell the products one to another, then clearly we must be on reasonably friendly terms. If it is to be worth our while to save, then our property must be safe from destruction.

In the Middle Ages the Lord of the Manor kept order among his villeins. No doubt there were customs which the villeins expected him to observe, but in the main his word was law. There were no policemen then, but the lord's bailiff and other officers enforced his will.

How does our modern village differ from this condition of things? It differs in this, that the police are public servants. They are paid out of the rates and taxes. They may arrest you if they see you hurting some one or stealing his property, but they must then take you before the magistrate, who is known as a Justice of the Peace. It is the duty of the police and of the magistrates to keep the peace in their district. You are arrested because you have broken the peace. But you are not punished at the mere whim of the police or of the magistrate. The evidence of witnesses on oath must be heard by the magistrate. They must be witnesses to the fact—mere hearsay is not admitted as evidence. The magistrate has to answer two questions when he gives his decision. The first is the question of fact. Did you do the thing with which you are charged? The second is the question of law. Is that a thing forbidden by the law? If his answer is Yes to both these questions, he may imprison or fine you to the extent allowed by the law, and the police will carry out his orders.

But if the offence committed be a serious one, for which the law prescribes a heavy punishment, then the magistrate will not finally decide the case, but will commit you for trial before a judge and jury. You may be detained in prison until the trial takes place, or you may in certain cases be let out on bail. When the trial comes on,

twelve "good men and true" are sworn as a jury. They hear the evidence and answer the question of fact in their verdict. The judge answers the question of law. It is for him to say whether the facts which the jury find proven are a breach of the law.

The written law does as much for civilisation as does the invention of money. Before the law is written the chief of a tribe keeps order by deciding as he thinks best in each case, and the people obey because it is the decision of the chief. Such people are not free. It is true that they may have unwritten customs, and that if a chief breaks these customs generally and flagrantly they may rise against him and kill him. This power of revolt does not, however, secure individuals against tyranny.

One of the earliest codes of written law is contained in the Ten Commandments of the Hebrews. One of these Commandments says, "Thou shalt do no murder." Another says, "Thou shalt not steal." These two commandments name two crimes or breaches of peace and order. Murder is a crime against the person; theft is a crime against property. It is the first duty of the police and the magistrates to maintain the security of both persons and property. But they must maintain it according to the law. "Thou shalt do no murder" is a notice to all men, or in other words, a law.

If a man is accused of murder, it is for the jury

to say whether in fact it is he who has committed the crime. It is then for the judge to say that the punishment for murder is death. A man may have killed another man by negligence. He may, for instance, have run over him when driving. What are the questions of fact and law which the jury and the judge have then to answer? The judge states the law, which is that murder must be killing with intent to kill. The jury have then to say whether the man was run over intentionally, for if it was not intentional then no murder has been committed. If the negligence was great the crime was manslaughter, but for this the punishment is much less than death.

In early ages there were many murders and many thefts in every countryside. Every one who thought that he had suffered an injury took his own revenge. If a man were killed his blood relations avenged his death. To-day murder is fortunately a rare crime, and theft is not frequent. Many a village will pass through a whole year without a single crime being committed in it. That is what we owe to the law. The object of punishment under the law is to prevent crime, not to avenge it. The police and the magistrates may have very little to do in some places, but they are none the less necessary. The peace which they maintain is worth much money, and the wages of the police are well earned. If the detection and punishment of crime were not

almost certain, criminals would increase in number, and gradually there would be no peace. Division of labour would cease to be possible, because no one would be sure that he could buy and sell. Saving also would be abandoned, because no one would lay up that which would probably be stolen or burnt.

The law is not, however, limited to the maintenance of the peace. In modern times we are made to keep certain of our promises, those promises which are called contracts. If you break a contract the judge and jury may compel you to pay damages to the person who has suffered because you have not kept your contract with him. It may seem at first that we have here something which is the contrary of freedom. Yet our modern freedom is based on contracts. In the Middle Ages, as we have seen, the mass of the people were villeins or serfs, owing so many days' labour to their lord, and not free to leave the district. To-day we have substituted for serfdom contracts of service. Let us consider one or two contracts such as are made frequently in our villages.

A farmer may hire a man to drive his cattle to the neighbouring market. Should the man get drunk on the way and abandon the cattle, he has broken his contract with the farmer. On the other hand, if the man safely brings the cattle to market, but the farmer fails to pay him the

promised wage, then the farmer has broken his contract with the man. This is what is known as a contract of service. The man is not free while he is executing the contract, but as soon as the contract has been fulfilled he is free to choose his next contract, whereas the serf in the Middle Ages was not.

Again, let us suppose that a farmer makes a contract with a carrier to take his milk to the railway station at a certain hour every morning, and that the carrier is repeatedly too late for the train, then the remedy of the farmer will be to sue the carrier for breach of his contract. He will be awarded damages against the carrier, because time was of the essence of the bargain. This again is a contract for service.

Let us now consider what is known as a contract for goods. We go into an inn, sit down at the table, and eat some bread and cheese. It is true that the innkeeper does not say to us in so many words, "I offer you bread and cheese," and we do not reply, "We accept your offer," but an offer and an acceptance may be without words. The innkeeper has his sign over his door, and the bread and cheese within on his table. We have his tacit consent to enter and sit down, and to help ourselves to the food. The law holds that we have offered to pay him the price that he may ask when he brings his bill, provided that it is not an extortionate price. The

law treats us as reasonable beings, and holds that we should not have exposed ourselves willingly to extortion, but that we knew we ought to pay for what we took.

Almost every act that we do in the way of business involves a contract, and every contract is based on offer and acceptance. If we take a railway ticket there is a contract. In this case we make the payment first, but the ticket is a promise on behalf of the railway company to carry us to our destination. The people of a modern community are voluntarily putting themselves under short terms of servitude all the time, and this is so even in the case of contracts for goods, since the seller undertakes to deliver goods which have already been made, or else to have them made. But there is all the difference in the world between a rapid succession of such servitudes and a life-long servitude. We are free at the moment of the completion of each contract, and up to the moment of the conclusion of a new contract.

Every offer and acceptance does not, however, constitute a contract. In return for the promise there must be what the law calls "valuable consideration." Thus if I ask a friend to go for a walk with me and he accepts, but I do not turn up at the place of meeting, he would have no right of action against me, because there has been no contract. But if I am a nursemaid, and I promise to take children out for a walk in return for wages,

and do not do so, then I should have broken my contract, because the wages are "valuable consideration."

From this chapter we see that the law is as necessary to society as is money. There are many people who live their whole lives without ever going to law. They may almost forget its existence, but only because it runs so easily in our civilised country. How smoothly it runs is often the wonder of foreigners, when they see the London policeman stop the traffic of a crowded street merely by holding up his hand. The drivers obey him because each of them can picture what will happen to him if he disobeys, and because obedience has now become a habit. The best people in the State keep the law, not from fear of punishment, but because they know that it is in the general interest that they should do so.

CHAPTER III

A MARKET TOWN

Bankers and Lawyers

Look at the map of almost any district in the United Kingdom, and you will see among the crowd of village names, every here and there, the more heavily printed name of a small town. Examine the map more closely and you will notice that each of these towns is the centre of a star of roads, each road leading to a neighbouring town. There may be three, four, five, six, or even more roads radiating from a town according to the number of the surrounding towns. From these roads, by-ways lead to such of the villages as are off the main ways. In each countryside the chief roads gather together into the market-place of the local town.

There are about a thousand market towns in the United Kingdom. Their populations range from a thousand to six or seven thousand. If a town is larger than that there must be some cause additional to the business which comes to it because of its market.

During six days in the week rural life is lived on the farms and in the villages, and the market town is no more than a large village. Its streets are deserted, and you would often think that its inhabitants were asleep. But one day in the week the whole countryside is united, and there is bustle and activity in the town. The carriers and the farmers drive in and put up at the inns. Poultry, eggs, and vegetables are for sale in the market-place. The corn exchange and the cattle market are full. The shops have as much as they can do. The doctors are at home for consultation. The news of the district is told and discussed at the midday meal in the inns. Then towards evening the horses are "put-to," and the farmers' gigs and the carriers' carts drive out again laden with their purchases. Some of the farmers are cheerful and some the reverse, as they have sold their corn and animals well or ill.

Twice a year, it may be, the market is on a larger scale than usual. The fair is being held, when dealers come from a distance to buy horses, cattle, and sheep, or the annual hiring is in progress when labourers take service for the year with a farmer, and enjoy themselves with their friends in honour of the occasion.

In each market town, as you walk along the main street you will observe two or three banks, and the offices of two or three solicitors. The bankers deal in money, the solicitors in law. They

represent two sides of our civilisation which have been discussed in the last two chapters.*

Let us consider first the solicitors. Once a week the magistrates drive in to sit together in Petty Session at the Police Station. They hear cases which are neither so trivial that they can be dealt with by a single magistrate, nor yet so serious that they must be tried before a judge or jury. Say that Jones is charged with a theft, and is brought before the magistrates in Petty Session. He usually employs a solicitor to defend him. The case appears in the magistrates' list as *The King* v. *Jones*. The Crown employs a solicitor to prosecute Jones. Thus two solicitors will appear before the magistrates, the one for the prosecution, the other for the defence. Each will call his witnesses. Each will cross-examine the witnesses of the other. A third solicitor acts as Clerk to the Magistrates. It is his duty, as a professional man, to advise the magistrates as to the law which applies to the case. Thus in every market town you will as a rule find at least three firms of solicitors, and there may of course be more.

Practice before the magistrates is, however, but a small part of a solicitor's work. If an important contract is to be made, let us say for the lease of a farm, it must be reduced to writing, and the lessor and lessee will go to a

* In Scotland the solicitor and bank agent are often the same person, but not in England.

solicitor for this purpose, or each may employ his own solicitor. Should there subsequently be a dispute, the question whether there has been a breach of the contract will be determined from the written deed.

The most important contracts in an agricultural district relate to the purchase or the leasing of land. Our British law is complicated where it relates to land. It has been greatly simplified of recent years, and no doubt still admits of simplification, but the law relating to land can never be very simple. Take a common case. An owner lets a field which can only be approached from the road by crossing another field. This other field has been sold subject to a right of way giving access to the first field. The deed which leases the first field must obviously contain a proviso in regard to this right of way, as also must the deed which conveyed the second field. Or take another case. A farmhouse has no well, but there is a stream on an adjoining property. The owner of the farmhouse may have a right of access to the water which will be set down in both the title deeds. All such rights over other people's property, and they are legion where the land is concerned, are known as servitudes or easements. It is clear that the description of such rights in such a way as to leave the fewest loopholes for dispute, is a matter requiring skill, and therefore solicitors are employed.

Now let us turn to the banks, and for the sake of simplicity let us consider a small market town in which there is only one bank. Everybody in the town and district who works for profit, and not for weekly wages, is likely to have an account with the bank—the shopkeepers, the farmers, the doctors, and the lawyers. Each of these people has a cheque book. Let us consider the case of a farmer who has received his quarterly bill from the grocer. Say that it amounts to £5. He writes out a cheque for that sum in favour of the grocer. The grocer presents this cheque to the bank. The bank manager transfers the sum by reducing the amount to the credit of the farmer by £5, and increasing the amount to the credit of the grocer by £5. Thus the greater part of the business of the district can be done without the passing of gold and silver, which will be needed only for the payment of wages and for small purchases at the shops for ready money. When the shopkeeper wishes to pay the wages of his assistants at the end of the week he will write out a cheque in his own favour and will present it to the bank. The bank will take the cheque and will give him the money across the counter, at the same time reducing the amount which stands to his credit in the books of the bank.

Thus it will be seen that the bank acts in two ways. In the first place it keeps the money safe

which the shopkeeper receives on market day, and gives some of it back to him on Saturday when he wishes to pay wages. In the second place it facilitates the transfer of money from man to man in the district. A cheque can be sent by letter, but coin cannot safely be so sent.

A bank, however, does more than this. Suppose that a builder wishes to build a house, and hopes that when it is complete he will be able to sell it at a profit. The builder begins by using most of his capital in the purchase of some land. He pays for the land, and also pays the solicitor for drawing up the deed by which the land is conveyed to him. He then goes to the bank with this deed in his hands. The manager sees that he has a good title to a piece of land worth so much, and he agrees to lend him a sum that is somewhat smaller in order that the builder may have the money wherewith to build the house. The bank is lending some of the money which has been deposited by its customers, to whom it allows a certain rate of interest, but charges a higher rate to the borrower. The profit made by the bank is the difference between the two rates, and out of this profit the banker and his clerks have to be paid, and also the rent of the bank office.

The title deeds of the land form the security on which the bank lends. Should the builder not be able to sell the house when it is finished, and be thus unable to repay the loan, the bank will

take possession of the house. But should the builder effect a good sale, he will have a profit after the loan is repaid. Thus we say that the bank finances the building. The builder must start with some capital of his own, but through the bank he obtains the use of other people's savings in addition.

There may, however, be two banks in the town. Let us say that the builder has his account with bank A, and that the brickmaker from whom he buys his bricks has his account with bank B. The builder borrows from his bank on the security of his title to some land upon which he proposes to build. The bank does not hand the money across the counter to him, but simply writes so much to his credit in his account. When the builder wishes to pay the brickmaker he draws a cheque on the lent money which is standing to his account in bank A, and hands it to the brickmaker, who presents it to his own bank B, and that bank increases the amount standing to his (the brickmaker's) credit.

Thus we see that the money borrowed from the one bank is paid into the other bank. How is the matter set straight? The brickmaker may be wishing to pay the grocer, whose account may be kept with bank A. He draws a cheque on his bank B, and gives it to the grocer, and the grocer pays it into his account with bank A. For the sake of simplicity, let us say that the cheques

from the builder to the brickmaker, and from the brickmaker to the grocer, are for the same amount. What happens is that the two bank managers agree to cancel the cheques one against the other. This they can do because in bank A the grocer's account is increased by exactly the sum that the builder's account is decreased. In bank B the brickmaker's account is increased by payment from the builder, and decreased by payment to the grocer, so that it remains unaltered in amount. In practice, of course, the cross payments of the two banks do not as a rule exactly balance. The one bank is then left owing a certain amount to the other, and this sum will vary from day to day according to the accidents of business. The difference could, of course, be put right at any time by one bank transferring the necessary amount of gold and silver to the other.

When the brickmaker accepts the builder's cheque he trusts the builder. He believes that when his bank B presents the cheque to the builder's bank A there will be enough money standing to the builder's credit to meet the cheque. When the shopkeeper pays his money into the bank on the afternoon of a market day he trusts the bank to find the money again whenever he draws a cheque for the payment of wages. The trust which is thus reposed in a man or firm is described as his credit. Often he is said to be good for so much money.

Thus the whole operation of banking depends on honesty. Every cheque involves a promise to pay. Banking, in a word, is based on the prevalent honesty of the community, just as the solicitor's calling is based on the accuracy of written records. So we come down to the important fact that the legal and financial bases of our civilisation, which we sketched in our first two chapters, can only hold where there is prevalent honesty and accuracy.

NOTE.—A bank would probably not lend money to a man of bad character in business even though he offered security in the shape of title deeds or share certificates. The bank desires the repayment of the loan and does not want the trouble of realising the security. Therefore such security is usually described by bankers as collateral. The borrower's credit is the first security. On the other hand a pawnbroker regards only the value of the object pledged.

CHAPTER IV

A COUNTY TOWN

Administration

When we look at the map of the British Isles we see that the whole land is divided into counties. There are forty counties in England, twelve in Wales, thirty-three in Scotland, and thirty-two in Ireland. Why is it that we treat these counties as of such importance? It is because the people of each county to a large extent manage their own affairs.

Let us take a single county and try to make a picture of its life in our minds. We will take the county of Herefordshire, because it is almost wholly agricultural, and therefore the picture will be a simple one, such as almost every county in the kingdom presented until recent times, when mining and industries made the life of our people more complicated.

Herefordshire is wholly an inland county. It spreads into the English Plain from the foot of the Welsh hills which rise along its western border. Along its eastern border, dividing it from Gloucestershire, is the ridge of the Malvern Hills.

In the main it is formed of red sandstone, which breaks up into a ruddy soil and bears rich pasture and apple orchards. Through the midst of the county there flows from the Welsh Hills the River Wye, and almost in the centre, upon the banks of the Wye, is the county town of Hereford, with a population of some twenty thousand. In the south, the east, and the north are three market towns, Ross, Ledbury, and Leominster, each of them about a dozen miles from Hereford, and each with a population of some four or five thousand. In the west the border hills are more thinly peopled, for the uplands suffice only for sheep pasture. As a result there is no town in this direction which is more than a large village.

Herefordshire measures some 850 square miles. It contains about 300 villages, and has a total population of somewhat more than 100,000. It has about 200 squires, about 3,000 farmers, and about 12,000 farm labourers. Therefore we may think of the average village within it as surrounded by about ten farms, and as inhabited by the families of about forty labourers, besides a few shopkeepers, a clergyman, and a schoolmaster.

Each farmer has on the average about eight horses. He has about ten cows and twenty other cattle, mainly of the long-horned red Herefordshire breed, which look very picturesque upon the green landscape with its undertone of red soil.

There would be about a hundred sheep to each farm were they evenly distributed, but most of the sheep are on the western hills.

In a few of the larger villages, in the market towns, and especially in the county town, there live most of the doctors, solicitors, and bankers, and also the larger butchers and grocers, and all the shopkeepers of the less frequent trades, such as the booksellers, druggists, and ironmongers. Almost all the bootmakers and drapers are also to be found in the towns, as well as the builders.

What are the needs which the people of such a county have in common? It is clear that above all they need roads and bridges. It would be unfair that the whole cost of the roads from Hereford to Leominster, Ledbury, and Ross should be paid by the villages through which they pass, for the byways enter the main roads and swell their traffic, and therefore the other villages ought also to contribute. A county rate must therefore be levied. It is assessed on each acre of land according to its rental, and on each house according to its rental. A rate of a penny in the pound in Herefordshire produces about £3,000 a year. A rate of 4*d.* in the pound would therefore give an income to the county of about £12,000 a year for the maintenance of the main roads and bridges, and for other similar purposes. This rate is levied by order of the County Council, the chief administrative authority in the county.

The County Council consists of about forty men, each elected by a district in the county. There are, of course, several representatives from the city of Hereford, but in the rural districts several villages are joined together to make a single constituency. The election takes place in March every third year. The electors are the householders and landowners. The county councillors who are elected are some of them squires, some of them tenant farmers, some of them shopkeepers, and some are clergymen, doctors, or solicitors. Once a month they all gather to Hereford for a meeting, presided over by one of their number who is elected to be chairman. A record of their proceedings is kept by their Clerk, who is usually a solicitor. They divide themselves into committees, each with its Chairman, and these committees meet in the intervals between the meetings of the Council itself. Each committee has charge of some department of the Council's work. One committee, for instance, will deal with highways, and another with education. Under each of these committees there are inspectors and other paid officials.

The County Council has to do with superior authorities and inferior authorities. Above it, in London, are the Local Government Board and the Board of Agriculture and Fisheries. Should the County Council be lax in carrying out the duties imposed upon it by the law of the land a letter

will come down from the Local Government Board calling attention to the omission, or perhaps an inspector may be sent down to the county. Should disease break out among the cattle or the swine within the county, the Board of Agriculture will at once send down its inspectors, who will place themselves in communication with the County Council officials, in order that the necessary measures may be taken to prevent the removal of the animals and the spread of the disease.

On the other hand, the County Council itself has control over the subordinate authorities in the county. As a rule each village with its surrounding farms constitutes a parish. Originally the parishes were set up for church purposes. Then it became convenient for the parishioners to meet after church in the vestry to settle their ordinary business affairs. To-day, however, the civil affairs of the parish have been separated from the ecclesiastical. The vicar and churchwardens are now limited to the business of their church. The civil business is conducted by a parish meeting held once a year, when a parish council is elected, unless the parish be a very small one. A parish council concerns itself with such matters as the preservation of public rights of way across the neighbouring fields, the keeping of the village green, and so forth.

More important than the Parish Councils are the District Councils. Each district consists of

a group of parishes. There are eleven Rural District Councils in Herefordshire. Four of them meet, as you would expect, in Hereford, Ross, Leominster, and Ledbury. But those towns themselves are not within the Rural Districts which bear their names. The towns of Ross and Ledbury are each of them an Urban District, with a separate council to itself. Hereford and Leominster, being more important, are Municipal Boroughs. Their Councils are known as Borough Councils. The Chairman of a Borough Council is the Mayor of the Town, and the Clerk of the Council is known as the Town Clerk.

The Rural and Urban District Councils and the Borough Councils are concerned with the supply of water and with drainage and with the by-ways. Each of these councils has its officials, of whom perhaps the most important are the Medical Officer and the Inspector of Nuisances.

These, then, are the administrative authorities for the local government of the country :—

1. In London, the Local Government Board and the Board of Agriculture and Fisheries.

2. In each County, the County Council.

3. In each District of the County either a Rural District Council, or an Urban District Council, or a Borough Council.

4. In each Parish, the Parish Meeting and the Parish Council.

In addition to the administration of its business,

each county is concerned with the maintenance of the law. The legal authorities are separate from the administrative authorities. A Commission is issued in the name of the King, which is known as the Commission of the Peace for the County of Herefordshire. This Commission is addressed to a certain number of gentlemen who are known as Justices of the Peace, or more commonly as County Magistrates. The chief of these magistrates is the Lord Lieutenant, who is usually the chief nobleman of the county. The Clerk of the Magistrates is known as the Clerk of the Peace. The Magistrates meet once a quarter in the county town, under a chairman elected by themselves, in what are known as Quarter Sessions.

The County is divided into Petty Sessional Divisions, and those magistrates who live in each of these divisions meet usually once a week or once a fortnight in the local market town or in some large and central village. Those cases which cannot be decided in Petty Session are committed either to Quarter Session or to the Assizes. The more serious offences, such as murder, go to the Assizes, which are held by a Judge who comes down to the county town three times a year on circuit from London. Hereford is in the Oxford circuit, of which the Assizes are held at Reading, Oxford, Worcester, Gloucester, Monmouth, Hereford, Shrewsbury, and Stafford. When the Judge arrives he is received by the

Sheriff, who is one of the magistrates chosen to be Sheriff for the year.

The cases which are committed by the magistrates to the Assizes are referred by the Sheriff in the first instance to the Grand Jury, which consists of a large number of the County magistrates. If the Grand Jury consider that there is a *prima facie* case against a prisoner they find a True Bill, and he is tried before the Judge and a Common Jury, which consists usually of shopkeepers and farmers. If the Grand Jury consider that there is no reason for putting the prisoner upon his trial they ignore the bill, and he is discharged. In the neighbourhood of the Assize Court is the County Prison, where persons who have been committed for trial are detained until the time of the Assizes, which are hence known as Gaol Delivery.

As we have already seen, the judicial authorities who hear cases and declare sentences need an executive service to keep the peace of the county, and to carry out the sentences. Therefore we have the County Constabulary or Police, with the Chief Constable at its head. The police of each Petty Sessional division are under a Superintendent. They are paid out of the county rates, and the Chief Constable takes his orders from a Joint Committee, which is elected partly by the County Council and partly by the magistrates assembled in Quarter Session.

The City of Hereford has a separate Commission

of the Peace with its own magistrates under the Mayor of the Borough, and its separate police force. For this and other purposes a Borough Rate is levied, out of which contributions are paid to the County Council for such services as the Borough shares with the County at large.

We now see why Hereford contains 20,000 people, or nearly one-fifth of the population of the county. In addition to the business of an ordinary market and petty sessional town, Hereford is the meeting-place for the whole county. Half a dozen times a year at least all the magistrates of the county gather there on judicial business. Ten or twelve times a year the County Council meets, and its committees still more frequently. The market and fairs of Hereford are therefore better attended than those of other towns in the county. Hence the county town has more important hotels and shops. The solicitors of largest practice have their offices there, and counsel or barristers come down from London for the Assizes and the Quarter Sessions. The chief officials of the county, such as the Clerk of the Peace and the Chief Constable, find it convenient to live there. The chief newspapers of the county are issued there, with reports of the proceedings of the county authorities. In the case of Hereford some further importance is added by the fact that the town is a City, and possesses a cathedral, with its Dean and Canons, and its Bishop. The clergy

from the whole diocese, which includes part of Shropshire as well as Herefordshire, come into Hereford to attend diocesan meetings.

Because of the press of business thus brought to the City of Hereford, the roads and the railways have been constructed to converge upon it. Three railways come to Hereford from Leominster, Ledbury, and Ross, and two other lines from the west and the south-west. Therefore it is an important junction, and a large number of railway servants live there.

Finally we must note that because Hereford is the centre of county business and the railways converge to it, therefore many people find it convenient to live there whose business takes them out into the country around. A wholesale grocer, for instance, who wishes to supply the village shops will be able to send out his goods by rail in five different directions from Hereford, and he can travel in those directions for the purpose of obtaining orders. "To him that hath shall be given" is a very general rule in all departments of life. Hereford is important as an administrative, legal, and clerical centre, therefore other people come to it to take advantage of its facilities and make it still more important.

We are now in a position to understand why men love their native county. A Herefordshire boy plays upon its red soil and in the green meadows along the banks of the Wye. His early

associations are with its red cattle and glorious apple orchards, and with the cathedral tower which is the familiar centre of almost every distant view. He was apprenticed in one of its market towns, and a visit to its county town was his earliest treat. He made his boyish friends among the children of his father's friends, and found his wife among them, for in an agricultural county a man is related, as we say, to half the countryside. Many may emigrate, but there are few immigrants, and the local population constitutes a stock, inbred and peculiar, jealous of its local traditions and proud of its name. In the old days when agriculture was all-important, the kingdom was made up of a bundle of such self-governing county communities.

NOTE.—In Scotland and Ireland there are separate Local Government Boards and Boards of Agriculture at Edinburgh and Dublin, who supervise the Scottish and Irish Counties. The administration of the counties and burghs is generally similar to that of the English counties and boroughs, the differences being chiefly of detail and name. Thus a Scottish burgh has a Provost instead of a Mayor, and Bailies instead of Aldermen. Perhaps the most important distinction is in the administration of justice in Scotland. The Sheriff of a County there is not an honorary official appointed for one year, but a very important personage, with a life tenure of his office. He is an Advocate or Barrister who acts as the Chief Judge of the County, except for a few cases which go to the High Court of Justiciary. He may be described as holding a position intermediate in rank and importance between a County Court Judge and a Judge of Assize in England. Under him are Sheriff-Substitutes.

CHAPTER V

A GREAT RAILWAY

Transport

We saw in the last chapter that each of our counties was, and to some extent still is, a separate community. It was governed from its county town, and its produce was marketed within its own borders. The typical county was of such a size that it was possible to ride or drive from any part of it into the county town and out again within the day, or at any rate within two days, one in and one out. Some of the larger counties were divided into parts, each of which was for most practical purposes a separate county. Yorkshire, for instance, is divided into three Ridings, and the long county of Sussex is divided into East Sussex and West Sussex, with Lewes and Chichester for their county towns. Thus in the old days, when England was almost wholly an agricultural country, and every county was more or less like the county of Herefordshire, the life of our people was very much divided, or, as we should say, was provincial rather than national. To-day leading county people go up to London to spend a few weeks

there during what is called The Season. Formerly they rarely went to London, but had their town house in their own county town. Only great noblemen and Members of Parliament went to London each year.

In older times the unity of the country was chiefly represented by the King's Judges going circuit from London, and by the King's taxes collected for the support of the Army and Navy. Each district produced what it required for its own consumption. Except in vessels along the coast, and to some extent down the rivers, it was not then possible to move bulky goods such as wheat. Perishable goods such as meat could never be taken far from the place of production, although cattle were, of course, driven down from the highlands to fatten in the lowlands.

What has made the great change between the old England, living apart in its counties, and the new England, centralised in the Metropolis? Undoubtedly the railways have been the chief cause of our modern unity. It is true that some time before railways were constructed, men made good roads and canals, and it is true that to-day, owing to the introduction of motor cars, there is again not a little business upon our roads. In the main, however, our country has been knit together and made one by the great system of railways which to-day extends from London to every corner of our islands.

In the last chapter we found it useful to give our attention to a single county, in order more completely to realise how a county is worked. In this chapter with the same object we will give our attention to a single great railway. We will select for this purpose the largest of our railway systems.

The London and North Western Railway consists of a permanent way and of rolling stock. In other words, it consists on the one hand of long ribbons of steel rail, and of all that is necessary to carry these ribbons across hill and dale, and on the other hand of wheeled vehicles and all that is necessary to haul, build, and repair them. The permanent way of the London and North Western Railway measures nearly 2,000 miles, some of it being laid with only a single track or pair of rails, but most of it with two tracks, and some of it, where the traffic is very heavy, with four tracks side by side. The main line runs diagonally across the English Plain from the Euston terminus in London to Crewe in Cheshire. There it divides, and strikes on the one hand northward near the west coast to Carlisle, and on the other hand westward through Chester to Holyhead, whence steamers, some of them owned by the railway, run to Dublin. From Crewe there are other important tracks to Manchester and to Liverpool. From Liverpool and Manchester lines converge again to Preston on the northern line, so that Crewe distributes the London traffic to the two great

Lancashire cities, and Preston gathers their traffic for Scotland. There is a direct line from Liverpool to Manchester with expresses throughout the day. In the Midlands there are loops from the main line, on the one hand through Northampton, and on the other hand from Rugby through Birmingham and Wolverhampton to Stafford. The Scotch expresses from Euston stop as a rule only at Rugby, Crewe, Preston, and Carlisle. Local trains gather the traffic from the intermediate stations, and bring it to these great junctions. There are, of course, expresses which do not stop between Euston and Birmingham.

In connection with the permanent way we must not forget the great and costly works which have been necessary to carry the track over or through the natural obstacles encountered—the tunnels, such as the Kilsby Tunnel a little south of Rugby; the bridges, such as the Menai Bridge over the Menai Strait; and the embankments and cuttings. In addition there are, of course, the passenger stations, and the great shunting yards where the goods trains are made up.

Such is a short description of the permanent way of the London and North Western Railway. It serves to connect the most important centres in our land. To carry the great traffic between them there is an immense rolling stock. It consists of some 3,000 locomotive engines, each costing from £2,000 to £5,000, nearly 10,000 passenger coaches,

and nearly 80,000 goods waggons. At Crewe are large works for the building and repair of the locomotives. At Wolverton are built and repaired the carriages.

How has the London and North Western Railway been constructed? How has so vast a sum of money as was necessary for the purpose been found? This great undertaking, both permanent way and rolling stock, is owned and worked by what is known as a Joint Stock Company. The money saved by thousands of our people, instead of being placed in the bank in the way described in our first chapter, and being then lent by the bank to individual traders in each locality, has been put together to form a Joint Stock.

All the people who thus put together their savings were formed into a company, each of them being known as a shareholder in the Company. In London there is an office at which all such Companies must be registered. Once formed and properly registered, a Joint Stock Company can act as though it were a single person. It may sue in the Law Courts. For instance, it may bring an action against a colliery owner to recover damages for breach of contract. The colliery owner may have undertaken to deliver coal to the Company for use in the locomotives, and may have failed to do so, with the result that the Company may have suffered loss. Similarly any person may sue a Railway Company, and obtain damages should the

Court find that they are due. Thus we see that the Company can sue and be sued. Of course, one Company may sue another Company in just the same way that an individual sues an individual, or an individual sues a Company.

A second point to be noted in regard to such a Company is that it not only holds the Joint Stock of its members, but also that its shareholders have a limited liability. In order to explain this phrase we must remember that when an individual makes a contract he is often incurring a debt. For instance, if you go into an inn and eat a meal you are held by the Court to have promised to pay the cost. In other words, while you are eating the meal you are incurring a debt which you must discharge.

A shopkeeper buys his goods from the maker. As a rule he does not pay for them immediately, but is given credit. He sells his goods to his customers. Very probably he in turn gives credit to them. From time to time he sends in his bills, which are settled by cheques, and he pays the cheques into his account at the bank. Finally, it may be after some months, the time comes when he ought to draw a cheque in favour of the maker of the goods. Should he have miscalculated, however, it may happen that having failed to sell enough goods, or having sold them at too low a price, he has not enough money in the bank to pay the maker of the goods. In the old days he would have been imprisoned for debt, but now he

is made a bankrupt, that is to say, the Law Court steps in and takes his property and divides it among his creditors as far as it will go. For each pound that he owes there may only be ten shillings or five shillings, in which case his creditors are said to receive ten shillings or five shillings in the pound. After a certain time he is discharged, and may start business again.

Now it would clearly be unfair that the thousands of people who put their money together to form a Company should all be made bankrupt and ruined because those who manage the Company's affairs run into debt. Therefore the law has laid it down that in a Joint Stock Company with Limited Liability each shareholder shall risk the loss of the money which he has put into the Company, but no more. That is the meaning of the word Limited which you see at the end of the name of many firms, though not at the end of the name of the London and North Western Railway Company. The Railway Companies of the country are few in number, and most of them very great. Every one knows that their shareholders have Limited Liability. But where a Company owns let us say a shop, and is called Smith, Jones and Co., Ltd., people would not know that it was a Company with Limited Liability unless the word Limited were added.

This, then, is the way in which the money has been gathered together for the construction of so

vast a concern as the London and North Western Railway. Originally small sums were saved by traders all over the country. These sums were put together to form a Joint Stock, the shareholders being induced to lend their money in return for the privilege of Limited Liability. Twice a year, in February and August, the shareholders are summoned to a Meeting which is held at Euston Station, and there Directors are elected or re-elected from among the shareholders to form a Board to manage the railway. The Board elects a Chairman, and appoints a Secretary to keep a record of its proceedings. It is the duty of the Secretary also to keep a list of the names and holdings of the shareholders. The Board appoints other servants of the Company, who number many thousand. In the London and North Western Company there are some 82,000 employees and some 75,000 shareholders and debenture holders. At the head of the Company's servants is the General Manager, a very important official. He and the Chairman of the Directors take the lead in managing the business of the railway. Other great officials are the Traffic Manager, the Locomotive Superintendent, the Engineer, and the Solicitor. The permanent way is divided into sections, with a Superintendent at the head of each, and there are, of course, many ranks in the general service of the Company, such as inspectors, station-masters, engine drivers, and guards.

The Company charges for the carriage of passengers, goods, and coal according to certain rates, for which it must obtain the consent of the Railway Commissioners, who sit in London and hear complaints from traders and others who use the railways. The Gross Revenue of the London and North Western Railway amounts to no less than £16,000,000 a year, but against this there are working expenses to be set off, such as the wages of the employees and the cost of the coal for the locomotives. The annual Working Expenses of the London and North Western Company are about £10,000,000, so that it has a net revenue of about £6,000,000. The amount of the share capital which has been subscribed to build and equip the railway stands at some £80,000,000 sterling, but the Company has also borrowed about £40,000,000 by means of what are known as Debentures.

The distinction between Shareholders and Debenture Holders is a very important one. A Debenture Holder lends his money to the Company. He is not a member of the Company and does not attend the Meetings or take part in the election of the Directors. He receives interest at a fixed rate—in the case of the London and North Western Railway at the rate of 4% per annum—and this interest is a first charge on the net revenue. In other words, the interest on the debentures must be paid before any profit can be

divided among the ordinary shareholders. Moreover, should the Company go bankrupt, the debenture holders may step in and take possession of the permanent way and the rolling stock. On the other hand, the shareholders stand to gain everything which the Company earns over and above the interest on the debentures. In most years the London and North Western Railway makes profit enough to pay a dividend of between 6% and 7% on the ordinary capital, after providing for the interest on the debentures.

The capital of the London and North Western Railway Company, like most other capital, is rendered liquid by the use of money. Say that I subscribed £100 to the Company. I may sell my share for whatever sum I can get for it. In a great concern such as this Railway Company there are always many shareholders who for one reason or another need money and are in the market to sell. A market for shares is known as a Stock Exchange. The largest Stock Exchange in the country is in London, but there are also important Exchanges in places like Birmingham, Manchester, Liverpool, and Glasgow.

In some concerns a £100 share may not always sell for £100, just as a farmer may not always be able to sell his sheep or his cattle for the sum which he gave for them. The shareholders, however, of the London and North Western Railway Company are more fortunate than those of many

other companies. At present they are able to sell £100 of stock for considerably more than £100, because the Company has been successful and pays good dividends. The price at which the London and North Western Ordinary Stock stood in January, 1914, was £130, which means that a purchaser had to pay £130 for each £100 of stock as originally subscribed. A 6% dividend on the £100 would therefore only yield about $4\frac{1}{2}$% to the purchaser. We must not forget that when people first put their money into the London and North Western Company, nearly seventy years ago, it was uncertain whether railways would pay, and naturally the shareholders expected a larger dividend in return for the risk which they ran. Many railways have not paid, and their shareholders have had to put up with small dividends, or no dividend at all. There is an element of venture in a great undertaking such as a railway, and the dividend which is paid consists partly of interest for the loan of the capital, and partly it is a return for the risk which has been run. Unless there were a chance of that return people would not run the risk, any more than they would save unless there were interest.

In 1912 the total Paid-up Capital—Shares or Stock and Debentures—of the Railways of the United Kingdom exceeded £1,300,000,000. About 1,300,000,000 passengers were conveyed, and about 500,000,000 tons of goods. The trains ran more than 400,000,000 miles. The total receipts were

nearly £130,000,000, but against this sum was a working expenditure of £80,000,000, so that the net profits amounted to nearly £50,000,000, or about 4% on the capital.

The effect on the country of the construction of the railways has been very great. A hundred years ago the people of Herefordshire had to grow the corn which was needed for their bread, and had to consume on the spot the meat and milk from their cattle. Now-a-days the amount of corn grown in Herefordshire has been reduced, and the meat and the milk have been increased, whereas in Norfolk, with a different climate and soil, the corn has been increased. Herefordshire now buys flour for its bread from Norfolk and from abroad, and sells meat and milk to Birmingham and to London.

CHAPTER VI

A GREAT TRADE

Distribution

In former days each district grew its own food. Now, as the result of our modern facilities for transport, each district grows meat, or milk, or corn according to the character of its soil and climate, and the produce may be carried to distant markets. Great trades have, therefore, been organised which collect from wide productive areas for distribution over the country. In other words, our food supplies are now on a national rather than a provincial basis. A striking example is the fish trade, because it deals with a perishable commodity, and therefore tests to the utmost the efficiency both of transport and organisation.

In the Middle Ages fish was a very important article of food. The Church prescribed that meat should not be eaten on fast days. Moreover, in the winter time cattle and sheep could not be fattened, for the cultivation of turnips had not been introduced, and therefore in the colder months only salt and smoked meat was available even in well-to-do homes. Fresh fish from river

and sea was naturally very acceptable, but there was also a great consumption of salt and smoked fish.

The fishermen of older times went out from every little creek along our shores and obtained the local supply. To obtain large catches of fish for salting and smoking they gathered into fleets, and already in the Middle Ages sailed as far as Iceland. After the discovery of America they turned their attention, together with the fishermen of France and Holland, to the coasts and banks of Newfoundland and Labrador. So occupied were they with their fishing that for many years they did not discover the great rivers St. Lawrence and Hudson, and the wonderful agricultural possibilities of North America.

Fish was brought up the River Thames to London, and was taken up the other rivers to inland ports, whence it was distributed over the surrounding districts. The fishermen were in no small degree their own salesmen and hawkers. To-day the labour has been divided and the trade has been organised in a very remarkable manner. By far the greater part of the harvest of the seas is brought into three or four ports, and of these the largest is Grimsby, though Yarmouth and Lowestoft are famed for their bloaters.

Let us describe the Grimsby fish trade. The town stands almost directly opposite to the great fishery of the Dogger Bank in the midst of the

North Sea. It has a harbour easily accessible from the sea, though sufficiently sheltered from the worst weather by Spurn Head. Six hundred fishing vessels, nearly all of them steamers, are owned and registered at Grimsby. They are manned by some six thousand men, and represent a capital of about £3,000,000. They discharge their cargoes in two large docks, each measuring about fifteen acres, and there are also two graving docks for their repair. The quays of the fish market are nearly a mile long. Every night from fifty to a hundred fishing vessels arrive at Grimsby. Some of them are themselves trawlers which fish with the trawl net from the bottom of the sea. Others are merely collecting vessels which bring in the fish from the fishing fleets without.

The unloading of the vessels begins at five in the morning, and takes about three hours. Then the market opens, and sales are conducted by auction. In about three hours more everything has been sold. Then three fish trains leave for London, and other trains for other of the populous parts of the country. The fish trains run at a speed of sixty miles an hour, and take precedence of ordinary traffic. The fish is delivered in the course of a few hours in the great wholesale markets, such as Billingsgate in London, and by the following morning it is on sale at the fishmongers all over Britain. Some of it is sent retail in baskets direct from Grimsby to the consumer.

Meanwhile the fishing vessels, having taken on board coal, ice, and stores, have again put to sea. Six hundred tons of ice are required each day by the fishing vessels of Grimsby. This ice used to be brought from Norway, but now it is chiefly made on the spot. It is crushed to a small size, and is delivered into the holds by means of a shoot, through which it pours in a continuous stream. The Grimsby fishing vessels consume nearly a million tons of coal each year.

The Dogger Bank is still a very important fishing ground, but the fish landed at Grimsby is now brought, packed in ice, from many waters. The Grimsby boats go as far as the Faroe Islands, Iceland, and the White Sea in one direction, and as far as the Bay of Biscay in another. So great have been the effects of steam and ice in concentrating the landing of fish at a single port where special facilities are offered for the trade! Before the construction of the railway the import of fish at Grimsby was negligible. In the year 1854 it amounted to only 453 tons. Now about 200,000 tons of fish are imported there each year, with a value of about £2,500,000. Each year the Great Central Railway, which owns the docks and wharves, receives some £250,000 for the carriage of fish from Grimsby.

Yarmouth and Lowestoft are chiefly concerned with the herring fishery, as are the Scotch fishing ports of Wick and Fraserburgh. Fishing for

herrings begins in the autumn off the Hebrides and the Shetlands, and the fish are landed in Scotland. Then the herrings come farther southward, and the catch is landed at Hull and Grimsby. During this time of additional business Grimsby is so active that the vessels are unloaded by night as well as day. Finally, as the shoals of fish come farther south still, the landing places are Yarmouth and Lowestoft.

Over two thousand boats carry on the herring fishery, of which three-quarters are owned in Scotland. They are manned by 20,000 men. Some 7,000 Scotch girls follow the boats southward from port to port for the purpose of packing and kippering the fish. About a thousand of them are from the island of Lewis and speak Gaelic.

During the Yarmouth season of about two months, seven fish trains leave each day, besides several from Lowestoft, and there is also a large export by sea to the Continent. We may gain some idea of the scale of this trade when we are told that as a rule five herrings go to the pound, and that three tons are put upon each railway truck. Each train of forty trucks serves therefore to carry 1,300,000 herrings. On one day in October, 1907, no less than 59,000,000 herrings were landed at Yarmouth, but this was, of course, an exceptional day. In the year 1911 over 600,000,000 herrings were landed there, or in other

words, a dozen for each man, woman, and child in the land.

Now look at the map of England. Put your finger upon Grimsby, and try to picture a hundred boats, each with its crew of ten men, steaming out of the docks every evening with due supplies of coal, and ice, and nets. Then picture another hundred boats entering the docks at dawn laden with fish. Think of the busy scene in the early morning, as the fish is laid out by the million on the wharf, and then think of the express trains hurrying south, west, and north, to the great centres of population and consumption. Gradually the catch is parcelled out until finally it is placed, still fresh, upon the fishmonger's slab in every town of the land.

The whole of this wonderful feat of collection and distribution is accomplished smoothly and certainly by organisation. The body of an animal consists of many organs, each performing its service to the whole. So in a great organisation men divide the labour, each performing his part in co-operation with his fellows. In the body of the animal the nervous system controls. The eyes see, the neck bends, the jaws bite, the tongue and throat swallow, but the action of all is combined in due sequence by the brain and the nerves. So the organisers of the fish trade, sitting in their offices, receiving and despatching information by letter, telegram, and telephone, control the

trade according to the varying supply and demand. If a worker dies a successor is appointed, and the great organisation goes steadily on.

Consider the finance of this trade. Money is paid across the counter by the purchasers, who consume the fish in their homes. This money is taken to the bank, and placed to the fishmonger's credit in his account. The fishmonger draws cheques in due course in favour of the wholesale fishmonger at Billingsgate. Large cheques are drawn by the wholesaler and sent by post to the Grimsby fish merchant. The Railway Company is paid by the merchant for the transport of the fish, and in turn pays wages to the engine drivers and porters of the fish trains. The fish merchant pays the ships' crews, who divide the money between them so that their wives may buy the necessaries of daily life, but part of the money must be paid for coal, and of this the greater part is distributed in wages to the colliers. Ice must also be bought and paid for. Borough Rates are charged to the merchants on their warehouses, and to the fishermen on their cottages, and the roads, water supply, electric lighting, and other services of Grimsby are thus paid for.

We have now followed in thought one great stream of our national life. It begins with the fish swimming on the bottom of the North Sea, and ends with the fish steaming on our plates in

the homes of our country. The difference between the present and the past is this, that formerly the people of Herefordshire would have for fish chiefly the salmon and trout of their own River Wye. Occasionally, as a luxury, sea fish would be brought up in cool weather from Chepstow or Newport. To-day most of the Herefordshire salmon is sold in London and Birmingham, but, on the other hand, the Hereford folk have daily supplies of sea fish from Grimsby.

The whole country has been made one by our railway system, and our vast supplies converge to certain great ports and markets whence they are distributed. Under the old unorganised condition of things the supply of fish to the Metropolis, which consumes nearly 200,000 tons a year, would have been impossible. On the other hand, fish was very cheap and abundant in the little seaports. The price is now about the same in all parts, if we make allowance for the varying costs of carriage and distribution.

CHAPTER VII

THE COAL MINES

Mechanical Power

LET us sum up our ideas thus far. The land and the sea produce plants and animals, and these supply the food of men. The land of Britain and the seas around produce meat, bread, milk, and fish. They also produce the wool which is spun and woven into cloth, and the hides which are tanned into leather. With the establishment of order by means of the law, men obtain secure possession of the products of their work. With the help of money they effect exchanges of their property, so that each man acquires skill by concentrating his labour upon a single process. Owing to the consequent increase of production, there is a surplus of food, beyond what is wanted for the supply of the producers, and this is saved and known as capital. This capital is consumed by the men who build the houses and roads, and make the tools and implements which constitute further capital and render possible a still greater production. Banks are established which are

trusted with the money of those who save. They lend it to those who need capital for buildings and implements. Thus a motive for saving is supplied, since he who saves may obtain interest by lending his money. He obtains an income from his past work and self-denial, or from the work and self-denial of his forefathers. As a result he may enjoy the privilege of leisure.

Roads unite each countryside, so that the bankers and the lawyers live in the towns and are accessible to the producers around. In our modern time the railways have united the whole country, so that London has grown from being a relatively small place to be a very great city. The chief bankers and lawyers live there and work for the whole country, and the largest shops are there. The food for our population is now gathered from far and wide, and its distribution is organised on a great scale. It is paid for through the banks by cheques sent by post.

The great difference between the market town and its ring of villages on the one hand, and London and the whole of Britain on the other hand, is that produced by organisation. It requires very little organisation in order that the farmer's wife may take her eggs to the local market and sell them to the wife of the local doctor or solicitor, but it requires much organisation to collect eggs by the million from all the country districts of England and to carry them by rail to the market in London.

There is, however, more than merely thought needed in order to accomplish these modern feats of organisation. We must have power and speed of movement.

Man has power of movement in his own muscles. He obtains it from the food that he eats. In the condition of nature he applies that power when he hunts and slays the wild animals. With increasing order, or, in other words, with increasing civilisation, man applies his energy to the spade and to agriculture. A great advance is obtained when he harnesses to the plough and to the cart the power of the animals which he domesticates—the cow, the horse, the elephant, the camel, and the reindeer. A still further progress comes when he makes the wind and the stream to be his servants by means of the windmill and the water-wheel. The grinding of corn, which is thus accomplished under human control with the aid of inanimate forces, used to be the work of a horse or of an ox walking round and round a millstone. Therefore we speak of a water-wheel as developing so many horse-power. The greater the volume of the stream, and the greater the height of the fall, and the better made the water-wheel, and the less the friction upon the axle owing to the employment of lubricating oil, the greater will be the horse-power developed and applicable to the mill.

The water which falls over the wheel of the mill was raised beforehand from the surface of the

sea by evaporation under the sunshine, and was dropped from the clouds on to the heights at the source of the stream. Were it not for the power of the sun there would be no water in the stream to return to the sea. Even the power which is developed in the muscles of men and of animals comes ultimately from the sun. Starve a man or a horse and he ceases to work. Men eat meat and vegetables, but the meat comes from animals who in turn have eaten vegetables. Therefore it has been said that "all flesh is grass." Now the grass can only grow in moisture, and in the warmth and light of the sun. Thus it is true that whether we consider the power of animals or of the falling streams, the sun is the ultimate source.

There were great forests long ages ago on this part of the globe. The trees grew in the sunshine, and aged, and fell, and the floods from the rivers buried them beneath their sediment. Cut wood darkens in course of time, and in the end blackens. Every one knows the colour of old oak. So these buried forests blackened as though they had been charred, and to-day they form the beds of coal, which, deep down in the soil of Britain, constitute our wealth no less than the produce of our fields and of our seas. The coal is raised and burned in the steam engine, and power is developed for the turning of machinery, just as it is developed from the water-wheel and the windmill. In our coal supplies we

have in concentrated form the sunshine of whole ages.

It matters not from what particular source man obtains the mechanical power which he harnesses for his service. He may turn the wheel either by horse or ox or by running water or by the wind or by the burning of coal in a steam engine or of gas in a gas engine or of petroleum in an oil engine. The result in all cases is that the wheel turns, and that man has a servant which he may direct in the place of using his own muscles. One man may direct a power equal to that of several thousand horses.

Here, then, is the great source of change in the modern world. Working with civilised order and at the command of organised industry, mechanical power has wrought so great a change on the face of the earth that in the last three or four generations there has been a greater addition to the resources at our command than in all the scores of generations which preceded. Animal power, and wind, and running water have been at the disposal of man from very early times. The great change came with the use of coal.

To-day the coal raised in the United Kingdom amounts to about 270,000,000 tons a year, and its value is over £125,000,000. It is got chiefly in South Wales, in the north-west Midlands, in the north of England, and in mid Scotland. In the last four generations a vast number of people have

grown up in these parts, so that the population of England, which used formerly to live mainly on the rich agricultural plains around London is now distributed in all parts, and most densely in the coal districts. About 900,000 men are employed in winning the coal. When brought to the surface, some of it is used in furnaces to smelt iron from the ore and to make steel, some of it in steam engines to drive the machinery of manufacture, to speed trains on the railway, and to propel steamships, and some—although this is the smallest use of coal in our days—in domestic fires and for the manufacture of gas.

But History is not yet finished. Great have been the changes in the time of our fathers and grandfathers, but they are likely to be great also in our own time. An immense change is now in progress in regard to the methods of conveying power. We have been dealing thus far with the generation of power, but its conveyance is no less important. Until lately power was usually transferred from the driving engine of a factory to the machinery by means of endless straps. Now the engine is used to generate electricity by turning a dynamo, and the electricity is conveyed along copper wires to the machines in the shops, where it is reconverted into motion by small electromotors fitted on to the several tools. We are learning thus to convey energy in electrical form through very considerable distances. The day is at hand when

it will be practicable to burn coal near the pit's mouth, and to carry the power electrically for many miles, instead of carrying the coal by railway train.

In the west of London there stands by the bank of the Thames a great brick building with four lofty chimneys. It is the power station wherein power is generated which drives the railway trains of a large part of London. The coal is brought from Newcastle and elsewhere by ship and barge, and is burned to drive stationary engines of many thousand horse-power, instead of being wastefully distributed among hundreds of locomotives. The electric cables from this single power-centre move the trains which serve no fewer than a hundred and fifty railway stations.

In the North of England the North Eastern Railway uses electrically conveyed power for the most diverse purposes. The engines of a single great generating station work powerful cranes at the Darlington Works, each of which can lift the heaviest locomotive made, and they also drive the machine-brush in the barber's shop at the Central Station in Newcastle. The power which is now at our disposal is like the elephant, which can pile the great logs of teak wood in Burma, or can pick a lump of sugar from a child's hand.

When we try to picture the resources of our country, and enumerate its natural products, it is to-day more illuminating to end the list with the word "power" or "energy" than with the word

"coal." In former times we should have said that our country produced fish, meat, bread, wool, hides, iron ore, and coal for warming our houses and for smelting iron. To-day we have all these things, and in addition we have power—the power, that is to say, of the engineer. We have also, as the result of our long and fortunate history, a population capable of industry and discipline. And lastly, we have organising brain. The key holders of our modern world stand in two ranks. On the one hand, they are such as the General Manager, who with his pen and telephone controls our metropolitan railway system. On the other hand, they are such as the skilled artisan, who with the touch of his lever, in obedience to the manager, controls ten thousand horse-power in the central generating station.

Both on the technical side and on the commercial side brain is twice needed, first to construct and organise, and then to meet emergencies. A storm at sea, and less fish is landed at Grimsby, fewer trains are needed to carry it, less ice and less coal are ordered by the shipowners, less fish can be put into the shops of the fishmongers throughout the country, and more meat or other food must be drawn from other sources and sold by the butchers or grocers or bakers. The adjustment of these sudden changes, which go through Society as the wavelets cross a pond, intersecting one another at all manner of angles, is achieved from day to day by the organising managers in their offices.

Mechanical power and organisation—these are the two great characteristics of the modern world. The result is that 45,000,000 people now live in the United Kingdom, where only some 3,000,000 lived in the time of the Norman Conquest, and even the poor man to-day may enjoy many things which the rich man lacked in the time of William the Conqueror.

CHAPTER VIII

THE TEXTILE INDUSTRIES

The Collective Bargain of Labour

APART from production, whether from the soil, or the sea, or the mines, men are chiefly engaged in industry and commerce. Both industry and commerce involve the movement of material. They both of them have for their object the re-arrangement of natural material in such a way as to increase its utility to men. In the case of industry we re-arrange matter within a small compass. Thus we deal with raw wool by spinning and weaving and making of it a coat. In the case of commerce we rearrange matter through considerable distances. We transfer it from one part of the earth to another, as for instance when we bring wheat from Canada to England. In industry and commerce alike we employ organisation and mechanical power. Let us consider what are known as the textile industries.

The raw materials of textile fabrics are chiefly wool, flax, cotton, and silk. In each case we are concerned with a fibre, though wool and silk are animal products, and flax and cotton are from

plants. The main textile industries may be divided into five processes. First we clean the raw material—to clear away the grease in the case of wool, and the seeds in the case of cotton. Secondly, we comb it, so that the fibres may lie side by side instead of being matted. Thirdly, bundles of the combed fibre are twisted into yarn. Fourthly, the yarn is woven into cloth upon a loom, in such a way that the threads cross at right-angles as woof and warp. Finally the fabric is dipped into a vat and dyed.

Formerly these processes were performed in rural cottages. Almost every house in the country had its spinning-wheel and its loom. Now we employ ingenious machinery in a factory, and drive it by steam. The making of textile machinery is itself a very important trade in the wool and cotton districts. Lancashire and Renfrewshire manufacture cotton. Wool is woven in the West Riding, in the basin of the River Tweed, and in the West of England near Bath and Bristol. Linen is made from flax in the Belfast district and at Dundee. Silk is spun and woven at Macclesfield and in the East End of London.

The most important single industry in the United Kingdom is probably the cotton industry of Lancashire, and this is a remarkable fact when we remember that not a single pound of cotton is grown here. The whole of the raw material of this great industry is imported, mainly through

Liverpool, though some is brought up the ship canal and landed at Manchester. The cotton plant grows afresh each year, and is therefore known as an Annual. It forms a bush three or four feet high upon which are produced pods which burst when ripe and reveal a ball of cotton wool full of seeds like peas.

There are two kinds of cotton grown for the Liverpool market. The ordinary American cotton which comes from the southern part of the United States has fibres about an inch long, but the Egyptian cotton has finer and stronger fibres, as much as two inches long. Abundant cheap labour is needed for the gathering of the cotton crop. The negroes are employed on the task in America, and the fellahin in Egypt. The cotton is ginned in the country where it is grown, that is to say, the seeds are removed by machinery in a ginning mill, and then it is compressed by hydraulic power into large square bales which are bound round with steel hoops. Three or four of these bales are a load for a large lorry.

Raw cotton is bought and sold upon the Liverpool Exchange by the pound. The price is expressed in 32nds of a penny. American cotton is commonly quoted at such a price as $6\frac{25}{32}d.$, and Egyptian cotton at such a price as $9\frac{3}{32}d.$ per pound. During the year ending the 31st August, 1912, Great Britain consumed 360,000 bales of cotton, of which 250,000 were American

and 75,000 Egyptian. A bale of Egyptian cotton gives more employment than a bale of American cotton, because the finer counts of yarn are spun from it.

Manchester is the metropolis of the cotton industry. It is there that the yarns and finished goods are warehoused and sold, but most of the manufacturing is done not there but in the towns around, such as Bolton and Oldham. Thirty-five of these towns are said to have not less than 100,000 spindles each. Bolton and Oldham have several million spindles apiece. In 1912 Great Britain had about 55,000,000 spindles at work, and all the rest of the world had about 85,000,000. The finer counts, spun from Egyptian cotton, are made chiefly at Oldham ; the coarser counts, from American cotton, are spun at Bolton. Weaving is concentrated principally at Preston, Rochdale, and other towns of the Ribble valley. The spinning districts and the weaving districts present a very different appearance, for the spinning mills are large brick buildings of several storeys, whereas the weaving sheds have a ground floor only, and are skylit, with roofs so constructed as to have a longer slope to the north.

The coal for the cotton factories is mined chiefly at Wigan. The machinery for spinning and weaving is made largely at Oldham. So great is the cotton industry, with its various attendant trades, that within twelve miles of Manchester

Royal Exchange there is a population of nearly two and a half millions. Apart from colliers, and from those who are employed in the making of textile machinery, there are 200,000 men and boys and 300,000 women and girls whose wages are directly earned in the cotton trade.

When finished some of the goods are sent to London, where they are stored in great warehouses in the neighbourhood of St. Paul's Cathedral. From these stores mixed cargoes are made up for export, consisting of goods of various kinds and qualities. These are sent out to many parts of the world, but especially to India and the Far East, and to Africa and South America. A considerable quantity of yarn goes to the continent of Europe, there to be woven into cloth. Thus London is a great shop where the agents of foreign merchants buy assorted goods according to the orders which they receive.

The extraordinary change which the use of coal and machinery have effected in the cotton trade may be realised from such facts as the following. When the hand wheel was still used it required six or eight spinners to keep a weaver employed. To-day the spinning frames have each of them a thousand or more spindles, driven by steam. Each spindle on the frame takes the place of one of the old hand wheels, which required a worker to itself. The weaving looms are arranged in pairs managed by two men and a boy. The

weaving is so rapid that the shuttle can be thrown through the web some two or three hundred times a minute, whereas in the earliest form of hand loom, still employed by the natives of North Africa, the shuttle is thrown by one worker and received by another. It was a fine inspiration which led Rudyard Kipling to compare the British steamers on the ocean to "the shuttles of an Empire's loom."

The engines in the cotton factories of the United Kingdom have a total of more than 1,200,000 horse-power, without counting the electrical power which is bought from power companies and municipalities. The total value of the materials used in the cotton trade of the United Kingdom amounts to nearly £130,000,000 a year, and the value of the goods sold to nearly £175,000,000, so that the gross annual profit available for the payment of wages, the earnings of management, and interest on capital, amounts to no less than £45,000,000.

If you thought of setting up a cotton-spinning mill, or a weaving shed, you would probably go to Lancashire for the purpose. For one reason, the climate is suitable. Where the summers are dry and the winters cold it is difficult to work the cotton fibre, which becomes brittle. On the west side of the Pennine Chain there is precisely the "soft" climate which is required. There also coal is available, and Liverpool, on the western

side of the island, is well placed for shipping both from the United States and from Egypt.

But there is a still more important consideration which would lead you to establish your business in the midst of a district already devoted to cotton. Much skill of touch is needed for some of the processes, and also much judgment and experience for the management of the factories. In Lancashire the population is brought up from childhood to the cotton trade, and if you went elsewhere you would probably find it necessary to send for your leading workers from Manchester. Whether you went to Lancashire or not you would find it necessary to give the Lancashire rates of wages, except where house rent or food are cheaper or dearer than in Lancashire. If any one firm gave lower wages than other firms in the trade its employees would leave it, and seek the better-paid employment offered elsewhere. On the other hand, if any one firm gave much higher wages than the average for the same kind and amount of skill, it would not be able to manufacture as cheaply as its competitors, and would be undersold and driven from the markets.

The standard wages are fixed now-a-days by what is known as collective bargaining between the Trade Unions of operative spinners and weavers on the one hand and the Federation of Master Spinners and Weavers on the other hand. In agriculture the wages paid are mostly in respect

of time—so much a week for each grade of skill—but in the cotton industry wages are almost universally by the piece, so that a quick worker will earn more than a slow worker, a careful worker more than a careless one, and a skilled worker more than a clumsy one. The scale of piece rates in the cotton trade is very complicated. Wages vary not only in regard to the process, but also in regard to the quality of the raw cotton and the character of the manufactured article made from it. The list of rates in the Blackburn Spinning Trade covers some 85 pages.

The spinners' union employs for its secretaries men who are highly skilled in appreciating the effect of any change proposed in the rates. A bargain for a change of rates is usually struck between a committee representing the employers on the one hand and the secretaries of the trade union on the other. In the great majority of cases a new rate—necessitated by some change in the trade, either in the supply of raw material or in the demand for the manufactured product—is smoothly and peaceably adjusted. Occasionally there is a dispute. The masters may be asking for a reduction of wage, which the trade union is advised by its secretaries should not be granted, having regard to the condition of the trade. The operatives may then strike, that is to say, they may refuse to work. Or the operatives through their secretaries may be demanding a rise of

wages, and the employers may reply that they cannot afford to give a rise, having regard to the state of trade. Occasionally a strike may be proclaimed at certain mills only, and then it sometimes happens that to prevent division in their ranks, and defeat in detail, the remaining employers will lock out their operatives, and thus extend the dispute to the whole trade. On both sides it is realised that there can only be one rate of wage for the same kind of work in any one district.

Trade Unions often ask on behalf of their members for other advantages than an increase of wage. For instance, they may ask for shorter hours of work, or for a longer time for meals, or for more healthy conditions in the workrooms. But these matters, especially in the case of women and children, are not left wholly to bargaining between employer and employee. Before the rise of the Trade Unions there was a time, in the first half of the nineteenth century, when operative competed with operative to obtain work in the factories, and wages were very small, and the work was done under the most insanitary conditions. Employers, competing with one another, and also with foreign employers, were obliged to manufacture as cheaply as possible. At last the condition of things became so bad that laws were made to regulate work in factories. These laws have gradually been amended and improved until now they form a large body of what is called Factory

Legislation. In order to see that the regulations are carried out inspectors visit all the factories in the kingdom, and report to the Home Office, which has power to prosecute any employer who fails to obey the rules which are made in pursuance of the Factory Laws.

In 1909 a law was made which applied a new principle to the regulation of labour in certain trades. There are some branches of industry which may be described as parasitic on the greater industries, just as the ivy may be parasitic on the oak. The ivy is supported by the oak, but slowly in the course of long years it saps the great tree's strength. In some trades workers are employed at such low rates that they could not exist were there not other members of their families earning at higher rates in other trades. Where no other industry is available to level up the earnings of the family, the wages in the "sweated" trade may not suffice to afford enough food and a large enough house for the maintenance of health. Under such conditions the children grow up weak and stunted, and are destined to premature death, and the adults have long periods of sickness when they must be supported in one way or another by the rest of the community. The law of 1909 has experimentally selected certain of the sweated trades for a new remedy. A Trade Board is set up consisting of employers and workers in equal numbers, together

with a small number of persons unconnected with the Trade. This Board has power to fix a minimum rate of wage. The effect is that neither employers nor workers can compete to reduce wages below the rate settled by the trade itself. Thus the trade is prevented from being parasitic. Among the textile and kindred trades which have been put under Trade Boards are lace finishing, shirt making, and ready-made tailoring.

We are now in a position to realise the organisation of the great cotton industry, and from it we may easily understand that of other industries. The raw material is imported in bales, and the coal is raised from the pits. Powerful engines rapidly drive the machinery in the factories. Half a million operatives, men and women, boys and girls, attend to this machinery. The masters in their offices consider the price per pound which they have to give for the raw cotton, the rates of wages which they have agreed for with the Trade Unions, the dividends expected by the owners of the capital which has been invested in the mills, and the price which they must charge for the finished article. In fixing their sale prices the masters must have regard to the price at which the goods of their competitors are offered. The price of raw cotton is fixed on the Liverpool Exchange, and quoted in the Lancashire papers. The price of the finished goods is fixed on the Manchester Exchange. Wholesale dealers buy

at Manchester for export, and for the supply of the retail shops at home. Among the costs which the manufacturer has to bear in mind are the expenses to which he is put by the requirements of the Factory and Insurance Acts.

All these adjustments are made under the pressure of foreign competition. Fortunately the Lancashire manufacturers have thus far been able to conduct their business under such advantageous conditions that in most of the distant markets of the world they can underbid the manufacturers of other nations. So far as the coarser counts of cotton are concerned, the Indian manufacturer, spinning and weaving Indian cotton, is to-day holding his own in the Indian market, though Manchester still supplies the finer counts for all the East. On the Continent of Europe and in the United States, British manufacturers have difficulty in competing, because customs duties are charged on their products as they go into the foreign country and no equivalent duty is imposed upon the local manufacturers.

We must never forget when we consider a great staple trade, such as the cotton trade, that the greater part of the profits and wages earned, amounting as we have seen to £45,000,000 per annum, are spent both by masters and operatives in the purchase of the necessaries of life. Indirectly dependent, therefore, upon the cotton trade is

another great section of the population, probably as great as that which is directly employed. Not only are there the shops in the cotton towns, but supplying those shops are woollen manufacturers and boot manufacturers, farmers, fishermen, and many others. In addition there are house builders, colliers, railwaymen, schoolmasters, and police. After the costs of their living have been paid by the cotton men there is a certain amount which they save in each good year, and this money, gathered into banks, savings banks, building societies, and friendly societies, is employed as capital, either for the expansion of the cotton industry itself, or in connection with quite other trades, whether in this country or abroad.

The whole of our textile trades—chiefly the cotton, woollen, linen, and silk trades—use raw materials to the value of about £230,000,000 annually, and their output is sold for about £330,000,000, so that about £100,000,000 per annum is available for division as the wages of labour and the profits and interest of capital.

CHAPTER IX

THE METAL INDUSTRIES

Implements of Steel

NOT many years ago the textile trades—cotton, woollen, linen, and silk—were the most productive group of trades in this country after agriculture. To-day they have been outstripped by the iron and steel trades, which include engineering and shipbuilding. This is the age of steel. Even in the cotton industry steel plays a great part. The spinning and weaving machines are made of steel, and also the engines which drive them. The ships which bring the raw material, and the railways and locomotives which remove the finished articles, are of steel. The bridges are of steel over which the railway trains run, and the warehouses in Liverpool, Manchester, London, and elsewhere are borne upon frames of steel.

Until about two generations ago steel was a comparatively rare material. It was manufactured at considerable cost by heating bars of iron embedded in charcoal, for steel is due to the combination of a certain amount of carbon or charcoal with iron. Steel which was thus made

was used for cutlery, and is still so used at Sheffield. The great advance of modern times has been in the manufacture of mild or cast steel. The first steel ship to cross the Atlantic was launched in 1879.

Steel-making begins with the smelting of the iron. For this purpose iron ore, fuel, and limestone are necessary. Formerly the only fuel employed was charcoal made from wood, and iron smelting was therefore carried on chiefly in the forest districts, such as the Weald in the south-east of England. Places bearing such names as Abinger *Hammer* were the seats of this former industry. The red stone or earth constituting the iron ore was smelted, and then re-heated and *hammered* into the required shapes.

To-day coal is employed instead of charcoal. At Middlesbrough on the Tees the three necessary materials are collected by rail from three different directions. The iron ore comes northward from the Cleveland Hills, the limestone eastward from the Pennine Moors, and the coal southward from the collieries of Durham. At Middlesbrough it is smelted in the blast furnaces, from a hole in the base of which the iron streams out as a hot molten fluid, which is cast into brick-like blocks known as pig-iron. The chief market for pig-iron is on the Royal Exchange at Glasgow, where the warrants or certificates of ownership are bought and sold.

Glasgow is the centre of perhaps the most remarkable steel-making district in the world. The pig-iron is obtained either from the local ore, or is brought from Middlesbrough, or is imported as ore from Spain to the Clyde. Coal for the Scottish industries is abundant in the shires of Lanark, Ayr, Stirling, and Fife.

At the steel works the pig-iron is melted with the other necessary ingredients, such as carbon and—for the harder steels—certain rare metals, such as tungsten and nickel, which come from Cornwall and Canada. The hot molten steel is allowed to flow from the crucibles in which it is made into moulds of sand, which are shaped by skilled workmen called moulders. They are assisted by other skilled men known as pattern-makers. The patterns of a steel master are among his most valuable assets. The first rough castings of steel are known as ingots. They commonly weigh about half a ton each. When re-heated they are either pressed with hydraulic machinery or beaten with steam hammers into the required shapes, or they may be rolled into rails for railways, or into flat plates such as are used in shipbuilding. Some of the greater castings, however, such as those for big guns, and for the propellers of ships, are cast straight from the crucible in which the steel is made. Rolled plates are of various thicknesses, according as they are to be used to cover the hulls of ships, or

for making boilers. They may take the form of thick slabs, whose surfaces are treated and hardened to become the armour-plates of battleships.

The actual building of the ships is conducted on the banks of the Clyde. They are designed by naval architects. From the designs the frames of the vessels are put together on the launching slips, and the plates are bolted on to them by riveters who work in squads—two riveters bringing down the blows of their hammers alternately upon the red-hot nut of a rivet which is held in place by a labourer. Hence the hammering which you may hear for miles round a shipyard. Most riveting is now, however, done by hydraulic or electric machinery.

When the ship has been launched it often takes a year to fit her out. She has to receive her boilers and her engines, and if she is a man-of-war also her gun-mountings, her guns, and her armour-plates. When she is ready for sea a great liner will have cost a million of money, and a battleship will have cost two millions.

All the way down the Clyde, from Glasgow to Dumbarton on the one hand and to Greenock on the other hand, are the shipbuilding yards, and all through Mid Lanarkshire and in Dumbartonshire —round Coatbridge, Airdrie, Motherwell, and Hamilton—are the collieries, and blast furnaces, and steel works. A million and a half of people

live in Glasgow and its immediate neighbourhood, the vast majority of them dependent, directly or indirectly, upon the shipbuilding trade. In Paisley there is cotton spinning, and in Glasgow are great works for the building of locomotive engines and for the construction of bridges, but shipbuilding is the predominant trade of the district. It is probable that the shipbuilding of the Clyde maintains, in one way or another, more than a quarter of the population of Scotland.

The raw materials employed in the iron and steel trades of the United Kingdom annually cost some £250,000,000, and the finished products and constructions sell for £400,000,000, so that there is a margin for profits and wages of not less than £150,000,000. Great profits are made in the metal trades, and large wages are paid to many of the skilled workers.

There were on the 30th September, 1912, 505 vessels, excluding warships, under construction in the United Kingdom, of which 478 were steel, steam-driven ships, with a total tonnage of 1,800,000 tons. Of these 478 vessels 152, or nearly a third, were being built on the Clyde between Glasgow and Greenock. In addition, there were 82 warships of one kind and another under construction, and of these 28 were being built on the Clyde.

We have now examined several instances of organisation on a modern scale. We have seen

it on a great railway, and in the fish trade, and in the cotton trade, and in the steel trade. In each of these cases a vast amount of thought and responsibility is involved on the part of those who direct. But when we consider the enormous variety and delicacy of the parts and the machinery of a modern liner or battleship, it must be admitted that our industrial organisation culminates in the steel trade. Let us look at a map of Scotland and try to picture the collieries at work in the depths of Lanarkshire; the blast furnaces by the banks of the Clyde above ground; the steel works where the hot metal obeys the moulders and pattern-makers; the great engineering works where the steam engines, boilers, guns, armour-plates, propellers, shafts, and ship frames are made; the scientific instrument works where the compasses, sextants, and telescopes are constructed; and finally the shipyards by the lower Clyde where the parts are put together according to the designs of the naval architects. There is a similar organisation for this complete series of operations—extending from coal and iron ore to the ships—along the north-east coast of England. Newcastle is the metropolis of this district, which vies with Glasgow and the Clyde. There are great shipyards also at Belfast, Barrow, and Birkenhead, which are supplied with their steel from Sheffield and other parts of the North of England and the South of Scotland.

In shipbuilding and shipowning Britain has become supreme in the whole world since iron and steel supplanted wood. In the days of the old wooden vessels such lands as Norway and New England competed with us on not unequal terms.

CHAPTER X

A GREAT PORT

Foreign Commerce

THUS far we have described the activities of our people as though our country were almost self-contained. We have thought of ourselves as producing food and raw material from our fields, our fisheries, and our mines, and as manufacturing and constructing with our own wool and steel. The principal exception has been in connection with the cotton trade, the whole of the raw material for which must necessarily be brought from warmer climates.

To a large extent Britain has in fact been such a self-contained society during the greater part of our history. In the Middle Ages we exported a certain amount of raw wool, with which we bought luxuries—silks, fine cloths, furs, precious stones, and spices. Except, however, for a little spice to flavour the insipid food which was then consumed in winter, nineteen out of twenty of our population lived wholly on the products of our own land. In the course of the eighteenth century, owing to the introduction of fresh methods of

agriculture, our country increased greatly in wealth. In good years we had in consequence a considerable surplus of produce, and as late as 1770 we still exported to the Continent of Europe not only raw wool but also wheat. Then it was that the great change began. Coal was applied on the big scale to smelting iron and to driving the machinery in factories. In the eighteenth century we were already importing produce from the Plantations, such as sugar and tobacco, and we were exporting manufactured articles in payment, but the colonial trade was still relatively small. It was not until well within the nineteenth century that we gradually ceased to be self-contained, even in regard to the necessaries of life.

All civilised countries have some foreign trade, if only for the purchase of luxuries such as are not produced in their own climates. But in the middle of the last century it was a new thing, at any rate in modern times, for one of the great countries of the world to cease to be self-contained in regard to necessaries. We may to-day think of our population as consisting for economic purposes of two mingled communities. We produce the food and raw material for a nation of perhaps half our size. Our rustic population and our fishermen would in any case need the help of a certain number of industrial workers. Had we no more of such industrial workers we should have what may be

described as a balanced nation—a community, that is to say, in which the number of agriculturalists and of manufacturers would be such as exactly to supply the wants of each other. But ours is not a balanced community. We have a great excess of industrial workers, who supply the wants not only of our people but of a great population in other parts of the Empire and in foreign countries. In other words, the cultivators of the ground who balance a large part of our industrial population are not in Britain but over the seas.

This great expansion of our industrial population has resulted from several causes, but chiefly from the fact that we have beneath our soil rich deposits of coal, or in other words great supplies of mechanical power or energy. We had blast furnaces, spinning mills, and weaving sheds two generations before George Stephenson invented the locomotive engine. Goods in bulk could at that time only be carried upon the water, and Britain had the immense advantage that her coalfields were upon the coast, or at no great distance from it, and accessible by river or canal. Moreover, we were at peace internally while the Continent of Europe was being devastated by the Napoleonic wars. The victory of Trafalgar made us supreme on the ocean, and gave us a great position in the colonial markets.

Thus the manufacturers of Britain obtained a long start. They learned how to organise our

industries, and therefore how to manufacture cheaply. At the same time our manual workers became highly skilled, and that skill became traditional in the second and third generations. The result is that to-day, except in so far as our farmers, and fishermen, and iron-miners supply a portion of our food and raw material, Britain has become an island factory, with abundant supplies to offer of manual skill and mechanical power. The manufactured wares are exported over the seas, and food and raw material are imported in return. In a word, the relations of Britain to the outer world may now be compared to those of a market town and its surrounding country. The streets of a town are sterile and produce no food, neither do they produce wool for weaving. The produce of the country-side is marketed in the town, but, on the other hand, almost every kind of article needed for civilised life is bought in the town and carried out to the rural homes.

Very naturally we have become great owners and great builders of ships. We ourselves like to take the profit from the carriage of goods to and from our own markets. A great trade in any line can usually be done on cheaper terms than a small trade, and this for two reasons. In the first place, because division of labour can be carried further, and the total of skill can thus be increased. In the second place, because, within limits, the same highly paid organising brain can manage a

large turnover with as little effort as a small turnover, and thus the cost of management can be distributed over a greater number of articles produced or of services rendered. It follows, therefore, that, owing to the vast scale on which we own and build ships, we can carry and build more cheaply than other nations, with the result that we do much carrying and building for other nations. Hence it is that ours is not only a leading manufacturing country, but it is also by far the greatest shipping community in the world.

As in the case of fishing, so with merchant shipping, our business used to be distributed all round the coast at every creek and harbour. Only London, because of the great population to be supplied, became a considerable port. Now-a-days our smaller ports have lost their significance. Our modern steamships have become so large and cumbrous that we need deep harbours, large docks, powerful cranes, and miles of railway sidings for their loading and unloading. As a result our foreign trade has been concentrated at a few great and well-equipped ports. Two of these ports stand out as far and away the greatest in our country. They are London and Liverpool. Many ships enter Newcastle and Cardiff, but chiefly for the purpose of carrying away bulky cargoes of the coal which is raised in the neighbouring coalfields. The values of the cargoes sent

out from Newcastle and Cardiff, and still more the value of those brought in, are small as compared with the values, inward and outward, of the commerce of either London or Liverpool. More than half of the foreign trade of the country, so far as value is concerned, is done at these two places. Let us describe the port of Liverpool.

The harbour of Liverpool is formed by the large estuary of a pair of small rivers, the Mersey and the Weaver, which descend from the Pennine Moors and the Peak. It owes its significance to its bottle shape, for the tides scour out the entry as they flow into the wider space within and ebb from it. The docks of Liverpool extend for nine miles along the right or Lancashire bank, and on the opposite side are the docks of Birkenhead in Cheshire. The two places have together some three square miles of docks, and there are forty miles of stone quays surrounding them, against which ships may be berthed. An elevated railway conveys the workers from point to point along the Liverpool dock front. On most of the quays are covered sheds to protect merchandise against the weather, and on the side of each shed away from the ships is a railway siding, which gives communication with the whole country.

Afloat upon the river in front of the dock wall is a landing-stage, half a mile long, which rises and falls with the tide, and is connected by bridges with the land. The water has been deepened along

the outer edge of this stage, and the greatest of the Atlantic liners can now come alongside, so that her passengers may walk into the express trains which stand on the stage and thence start for London. Beside some of the docks are huge warehouses, with endless bands running through them borne upon wheels. These bands carry wheat from the holds of ships to deposit it on the various floors of the warehouse.

The value of the imports of Liverpool is £180,000,000 a year. Of these more than a quarter, or £48,000,000 worth, consists of food, as shown in the following table :—

Food Imports into Liverpool in 1912.

	£
Animals for food	400,000
Cheese	1,000,000
Cocoa and Coffee	450,000
Corn and grain (chiefly wheat, maize, rice, oats, and barley)	17,000,000
Eggs	250,000
Fish	1,300,000
Fruit	5,000,000
Lard	1,800,000
Meat (chiefly beef, bacon, and mutton)	15,000,000
Sugar	5,000,000
Vegetables	800,000
Total	£48,000,000

About a third in value of the Liverpool imports consists of raw cotton in bales. Goods to the value of £30,000,000 are brought in to be re-sorted and sent out again, since the ships which bring our imports also bring smaller quantities of goods

intended to be transferred to other countries. Such import for re-export is known as depôt trade.

The district upon the land to which a port gives entry is described as the Hinterland of that port—hinter being a German word signifying within or behind. If you look at the map of England you will see how populous is the hinterland of Liverpool. Take a pair of compasses, and with one point just beyond Birmingham describe a semi-circle from Liverpool as a centre. Contained within the area thus defined are Birmingham, Sheffield, Leeds, Manchester, and all the great industrial districts around them. The exports from Liverpool of British produce—the re-exports above mentioned being excluded—amount to £164,000,000, of which £63,000,000 are cotton manufactures, £27,000,000 iron and steel manufactures, including machinery, and £10,000,000 woollen manufactures.

The growth of Liverpool is seen from the following figures. In 1760, 1,245 vessels entered or left the port. In the year 1800 the number was 4,746, with a tonnage of 450,000. In 1850 the number had increased to 20,457, and the tonnage to 3,500,000. In 1912, 23,483 vessels entered or left Liverpool, and the tonnage had risen to no less than 17,300,000 tons. A comparison of the figures for the last named years—1850 and 1912—shows how greatly the average size of our ships has increased. The dues and rates levied by the

Harbour Board on the ships using the port in 1912 amounted to over £1,500,000.

The ships of Liverpool belong either to lines trading regularly between fixed ports, or they are "tramps," which go to any port, as they may be directed by their owners from time to time, to pick up or to put down cargoes. The most important of the regular lines sailing out of Liverpool are the Trans-Atlantic lines, especially those bound for New York. The voyage from Liverpool to New York now takes less than five days. The two fastest steamers, the *Mauretania* and the *Lusitania*, can move at about 26 knots an hour, and in the twenty-four hours have covered respectively in record runs 676 and 666 knots. These two boats, which belong to the Cunard Company, are of 31,900 and 31,500 tons respectively, and are 762 feet long by 88 feet wide. There are larger vessels, such as the *Aquitania*, with a tonnage approaching 50,000, and a length not far short of 1,000 feet, but these are not quite so swift as the two famous vessels just named. The first steamer on the Clyde, the *Comet* of 1812, had an engine of three horsepower. The *Aquitania* has engines of 60,000 horsepower.

The passenger traffic which passes through Liverpool is very great. In 1912, 657,000 persons left the United Kingdom for non-European countries. Of these, 323,000 sailed from Liverpool, 111,000 from London, 94,000 from Southampton,

and 61,000 from Glasgow. In the same year 341,000 persons came into the United Kingdom from non-European countries, and of these 154,000 landed at Liverpool, 38,000 at London, 51,000 at Southampton, and 29,000 at Glasgow. The difference in the totals represents the emigration from our country, which amounted, as will be seen, to 316,000. There are about 500,000 more births than deaths each year in the United Kingdom, so that fully half of our natural increase leaves us either for foreign countries or for other parts of the Empire. Of late years most of our emigrants have remained within the Empire.

The passenger traffic to and from the Continent is carried on mainly through Dover, Folkestone, Newhaven, and Southampton. In 1912 nearly the same number went to the Continent as came from it—the figures being 1,075,000 from England to the Continent, and 1,150,000 from the Continent to England. In most years there is a small balance inward.

Although Liverpool has the greater export trade, for it is the outlet of the industrial North, London is first in imports, which consist largely of food for the population of the Metropolis and the surrounding district. London also does a great depôt trade, nearly twice as great as that of Liverpool.

The following statistical tables show that more than half of our foreign trade is done through the

ports of London and Liverpool. The tables are of values stated in millions of pounds sterling, and are for the year 1912.

	Imports for Home Consumption.	Exports of British Products.
London	183	88
Liverpool	150	164
Total for the whole country	633	487

Depôt Trade.

(These values are additional to those stated in the preceding table.)

	Imports.	Exports.
London	56	56
Liverpool	30	30
Total for the whole country	112	112

It will be noticed that the imports exceed the exports by no less than £150,000,000. To what is the difference due? Chiefly to two causes. In the first place, if we think of the exchange of our goods for foreign goods as being made in the foreign country, then it follows that since the values must be equal at the moment of exchange, our British goods must be of less value when they leave this country, since the cost of carrying them to the foreign country has to be added. On the other hand, after the exchange has been effected the foreign goods must be transported to this country, and the cost of their transport has to be added to their value. Thus two voyages have to be paid for, and since a majority of the ships are British, it is we who receive these payments in the shape of increased imports, to the extent of perhaps £60,000,000 a year.

The remainder of the difference between our imports and exports is made up chiefly of dividends and interest on our foreign investments. We have lent in foreign countries at one time and another a considerable part of our savings, and annual interest has to be paid to us. It is paid in increased imports. As in the case of the profits on our shipping we do not take payment in gold, but in goods.

It should be added that some of the manufactured goods which we export represent capital going out for investment abroad. We send out, for instance, the steel rails and bridges for a railway in South America to be constructed with British capital. Since, therefore, a part of our exports is capital going out of the country, it is certain that more than the excess of imports—in other words, more than £150,000,000—should be set down as the value of our imports in respect of the earnings of our ships and of our capital invested abroad.

CHAPTER XI

CHURCHES AND SCHOOLS

The Organisation of Leisure

We have been concerned up to this point with the production and the distribution of the necessaries and luxuries of civilised life. The farmer raises food and grows wool under the protection of the law. The fisherman adds to the food supply and the miner to the raw material of industry. The spinner, the weaver, the metal worker, and the builder construct implements, great and small, from the raw material with which they are supplied. The railway and the steamship effect the wholesale distribution of the food, fuel, implements, and building material from the districts of their production. The shopkeeper conducts the retail distribution among the ten million householders of the land, and the Banks adjust the payments where the distances or the quantities are too great for direct payment in coin. A modern country exhibits a vast and complicated system, which is the outcome of many generations of thought applied to government and to the control and economy of labour.

Such an organised human society is possible only if we can communicate with one another by language, if we can adjust our relations with money, and if we can depend on the habits of the other members of our community. The last of these three conditions is the real basis of civilisation. The barbarian can speak with his fellow tribesman at any rate in regard to daily needs and the simpler feelings, and he has usually arranged some system of money, even if it be merely a currency of shells or beads. But the whims of the savage are incalculable. He hunts when he is hungry, and he works to make his simple weapons when the mood is on him. For the rest he idles and sleeps as he likes, unless a stronger than he should compel him to work as a slave.

Civilised society has two main characteristics —on the one hand is steady industry, each man in his calling rendering expected service to his fellow-men; on the other hand is the rational enjoyment of earned leisure. Up to this point we have been concerned with industry, whether in the production or the distribution of wealth. Let us now consider leisure. It is to the right use of secured leisure that we owe all the nobler aspects of society.

Consider, in the first place, how small a part of our lives is really spent upon work for the production of necessaries. We sleep probably one-third of our time. Another fraction is consumed

by our meals. A sixth or a fifth of our allotted span is spent in childhood, and for those who live so long a part goes in the retirement of old age. Still to be deducted from our working lives are our times of sickness, and Sundays, and Saturday afternoons, and our evenings, and our annual holidays.

A life of seventy years consists of about 600,000 hours. Let us assume that the working time extends between the ages of fifteen and sixty-five, that the working week consists of five and a half days, and the working day of nine hours. Set apart twelve days annually for holiday. On these assumptions there will be about 120,000 hours of work in a life of seventy years, or, in other words, one-fifth of the whole. It is clear, therefore, that the average working man, in the course of his life, gives more time to leisure, including social meals, than he does to work.

More important than the conditions under which we labour—important as they are—are the conditions under which we sleep, and take our meals, and spend our childhood, old age, and times of sickness. Most important of all, however, are the conditions of our leisure. It is then that we have most freedom, and are least slaves, except to our own habits and limitations.

For the sake of the community certain persons and classes are given or permitted additional leisure. In many ways we reward past service

by future leisure. The payment of interest as the reward of saving is of this character. The payment of royalties to those who write books and make inventions is also of this character. The State secures such payments by the institution of private property. The monopoly of authors constitutes a property which is known as copyright, and the monopoly of inventors is a property known as patent right. Where parents can afford it, they pay to add to the leisure of childhood a further period of leisure during adolescence, so that education may be prolonged into the secondary school and the University. The community pays for the leisure of others, for instance when a County Council gives scholarships to promising pupils. Ministers of religion and university professors are given leisure in order that they may devote themselves to philanthropy and prolong their studies into adult life. In every case, whether the State actually endows the leisure or permits a system which results in leisure for the successful, the motive is that society at large may profit either by the product of the leisure itself, or by the qualities of skill, character, and industry, which go to the earning of it.

The painters of pictures, and musicians, and actors of stage plays work hard for their living, but they cannot earn their bread in their particular callings unless a large number of citizens

have not merely leisure to enjoy the artistic pleasures, but also money to spend in their leisure time. Broadly speaking, religion, and learning, and art—the highest employments of mankind—are the products of leisure. The few must have leisure to create. The many must have leisure to enjoy, and for the higher enjoyments they must also have leisure for education in order that they may be able to appreciate. In addition, either they, or the State on their behalf, must have money to spare to maintain the artistic and literary creators.

The importance of leisure has been recognised from very early times in the history of civilisation. It is the subject of the longest of the ten commandments of the Hebrews. The seventh day's rest is characteristic of all who worship the God of Abraham. The Jew keeps Saturday holy; the Christian keeps Sunday; the Mohammedan keeps Friday. Beyond the merely physical rest, and the break of monotony, the Sabbath exists to secure the freedom of man. We are naturally creatures of habit. We feel sleepy and we feel hungry under healthy conditions each day at the same hours. In a great society habit necessarily extends to the details of our life, for others depend on us and we depend on others for the performance of a thousand recurring duties. The result is that we no longer think while we perform the great majority of our daily functions, and it is

easy so to lose the habit of thought that thought becomes an effort, and for some even a painful effort. The leisure of Sunday is meant to give us the opportunity of thinking. If we are falling into bad habits, and are too busy during the performance of our daily round to correct them, Sunday with its relative freedom from duties affords the opportunity to look both inward and outward, and to ask in regard to what we do, why we do it. As a result we may alter habit, and thus exercise freedom. We examine ourselves and confess our sins. We pray, and resolve to make changes.

Religion makes us ask the question, Why? We realise the great mysteries with which we are surrounded, and praise God. Millions are born into the world each year. They grow up, are married and given in marriage, bear children, and die. Whence do they come? Whither are they going? Why do they sojourn in this beautiful world, and enjoy it? Why, on the other hand, is there so much sorrow and pain? Out of these questions come the answers of humility and submission of ourselves, of worship and adoration of God and Nature, and of compassion, justice, and service towards other men. It is good that each community of men should recognise the need for religion, and that those who have learned experience in the school of long life should set the example of self-questioning, and praise, and prayer, and

giving. The churches have been built for this purpose. The ministers who teach in them have been set apart by a busy world to study the scriptures in which is recorded the religious experience of past generations—the Old Testament of the Hebrews, the New Testament of the Christians, and the Koran of the Mohammedans. How large a part the religious use of leisure has played in the life of civilised man was seen in that quiet view over rural England with which the first chapter of this book opened. In most of the thirteen thousand villages of England the Christian church is the largest and by far the most ornate building.

Christianity became the religion of the West in the time of the Roman Empire. A thousand years later, in the Middle Ages, the Roman Church was still the Church of all Western Europe, though the Empire had broken into separate kingdoms such as England, Spain, and France. Each village, then as now, was a parish in charge of a priest. The parishes were grouped into dioceses, over each of which was a bishop, and the dioceses were grouped into provinces under archbishops. The provinces together formed the Church, under the supreme government of the Pope and his Cardinals at Rome. The archbishops and the bishops had their splendid cathedrals, each with its dean and canons.

Outside the parish system were the monasteries,

with their monks and nuns living in communities, each community under its abbot or abbess, or prior or prioress. These religious houses were grouped into great Orders. A certain number of them, scattered in all the Roman countries, belonged to the Order of the Benedictines, founded by St. Benedict. Others were of the Order of the Franciscans, founded by St. Francis. Yet others were of the Order of the Dominicans, founded by St. Dominic. These Orders did not obey the bishops, but obeyed their own superiors, who owed direct allegiance to the Pope. The bishops and the parish clergy were known as secular priests. The monks and nuns constituted the regular clergy, the followers, that is to say, of the rules of life laid down by their founders, such as St. Benedict, or St. Francis, or St. Dominic.

The fine arts of the Middle Ages were almost wholly devoted to the buildings and services of the Church. Architecture, sculpture, painting, and music were all dominated by religious ideas and religious uses. Very few of the laity could read. The manuscripts containing the scriptures and other books were for the most part in Latin, which was the language of the clergy throughout Western Europe. Learning was to be found only in the monasteries and among the higher secular clergy. Therefore kings found their ministers of state among the bishops, many of whom had been monks.

In the later Middle Ages—that is to say, from the time of the Norman Conquest onward—two changes began to take place. On the one hand special schools of learning known as Universities grew up. The teachers were still clerics and spoke Latin, but there was greater freedom of thought than in the monasteries. Gradually two learned faculties which ceased to be clerical arose in connection with the universities, the faculties of law and medicine. So were formed the three learned professions of theology, law, and medicine, the practitioners of which to this day seek University Degrees. In addition to the Universities of Oxford and Cambridge in England, and of Glasgow, St. Andrews, and Aberdeen in Scotland,* there arose a legal university in London, consisting of the Inns of Court, which granted the Degree of Barrister-at-Law. To this day the counsel who practise in the higher law courts are barristers.

In the time of Henry VIII., when Cardinal Wolsey, and afterwards Thomas Cromwell, were the chief ministers of State, there took place the Reformation. The Church of England, with its bishops and parish priests, separated from the Church of Rome, and the King was acknowledged as Head in the place of the Pope. At the same time the monasteries were dissolved, and their revenues confiscated to the Crown. Those revenues,

* Edinburgh and Dublin were not founded until after the Reformation.

drawn from the land, were diverted to various purposes. A part of them went to the foundation of new dioceses, so that with the increase of the population there might be more bishops and greater supervision of the clergy. Other portions of the monastic revenues were used to found new colleges in the Universities of Oxford and Cambridge. In the many towns Grammar Schools were established to take the place of the schools attached to the monasteries, and to this day such schools often proudly describe themselves as King Henry the Eighth's, or Edward the Sixth's, or Queen Elizabeth's. A part of the monastic revenues was diverted to rewarding those who served the King in some conspicuous way, and followed him in his revolt from Rome.

Naturally a certain number of our people refused to go with the King in this great revolution, and remained loyal to the Pope. In the middle of the nineteenth century, when the country at large no longer feared the restoration of the papacy, Roman Catholic bishops and archbishops were once more allowed to be set up in England, side by side with the bishops and archbishops of the Church of England. In Ireland the mass of the people remained Roman Catholic, though the old bishopries and cathedrals passed to the King, as in England, and became the Protestant Church of Ireland.

In Scotland, however, episcopacy, or rule by

bishops, was abolished as the result of the Reformation, and Presbyterianism was set up. Each Scottish congregation elects its own elders and calls its own minister. Each group of congregations forms a presbytery, and all the presbyteries are represented in the Assembly of the Church, which meets once a year in Edinburgh, under its elected Moderator. Thus the Church of Scotland became essentially republican in its government, but it remained a single National Church. A certain number of the Scottish people, however, continued to be members of the old Roman Church, and others followed Elizabeth and James and became protestant but yet retained bishops. Scotland has as a result, outside the Presbyterian Church, two Episcopal Churches, the one the Church of Rome, the other in communion with the Church of England. But the Presbyterians are the vast majority of the Scots, just as the Roman Catholics are the great majority of the Irish. The Scots who, in the seventeenth century, settled in the north-east of Ireland round Belfast are mainly Presbyterians, and the descendants of the English conquerors at Dublin are mainly of the Protestant Episcopal Church of Ireland.

The same religious feelings which led to the rejection of bishops in Scotland were at work after the Reformation also in England. During the time of the Tudor and Stuart kings our people

had not accepted the idea of toleration. In England all men were expected to worship in accordance with the Church of England, and the Roman Catholics were persecuted on the one hand, and the Puritans who dissented from the episcopal system on the other hand. In the time of Oliver Cromwell the Puritans were all-powerful. They abolished Bishops; but notwithstanding the noble appeal for toleration which was made by the poet Milton, they were in fact no more tolerant as a body than had been the Episcopalians. Most of the English Puritans were Independents or Congregationalists, that is to say, they would not accept the Scottish system of Presbyteries and a National Assembly. For them each congregation was a complete self-governing Church. The Baptists arose at the same time as a sect of Congregationalists holding certain views apart.

After the Restoration the Episcopal Church was re-Established, and the Act of Uniformity was passed. A large number of the Puritans left the Church, and were known as Nonconformists or Dissenters. At first they suffered much persecution, but at last in the reign of William III. the principle of toleration was tacitly accepted in regard to the Protestant Dissenters. Several generations more elapsed, however, before toleration extended to the Roman Catholics. We were at war with France, a Roman Catholic Power, which allowed no quarter to Protestants, and it

was natural that every Roman Catholic should be regarded as an agent of our enemies.

In the eighteenth century a further secession took place from the Established Church of England. The followers of John Wesley drew themselves apart as Methodists, though they remained within the Church as long as Wesley lived. In the end, however, they rejected episcopacy, and formed a separate Church with constituent congregations. In the nineteenth century even the Presbyterian Church suffered a breach, and the Free Church of Scotland was set up. But the causes of that breach have now been removed, and it appears not unlikely that there will be a reunion of the Presbyterian Churches in Scotland.

These then are the principal religious organisations of our country :—

The Established Church of England (Episcopal). The Established Church of Scotland (Presbyterian). The Roman Catholic Church (or rather certain provinces of that Church). The Episcopal Church of Ireland. The Episcopal Church of Scotland. The Presbyterian Church of Ireland. The Free Churches of England (the chief of them, the Congregationalists, the Baptists, and the Methodists). The United Free Church of Scotland.

In one sense all this diversity of opinion, especially in regard to Church Government, is regrettable, but we must not forget that while it is the first duty of the State to maintain order,

and therefore unity within our national society, the first duty which men have in regard to religion is to be honest, although charitable. It is inevitable that men should differ honestly in regard to opinions, at any rate if they hold them sincerely and with conviction. None the less this is a Christian State, and Christianity is part of the law of the land. The only considerable non-Christian community in our islands are the Jews.

The subject of this chapter is the organisation of leisure, and the object of the historical sketch which has just been given was to explain how complicated that organisation has become. The great united Church of the Middle Ages originated for all of us the worship of our Churches, the teaching of our colleges and schools, and our arts of painting, sculpture, music, and architecture. Even our holidays were holy days, and our drama had its origin in the miracle plays which were presented in almost every village of the land.

The chief practical embarrassment which results from our modern religious differences is in regard to education. Only the clergy were educated in the Middle Ages, at any rate in a "booky" sense. Not many years ago practically all schoolmasters, at any rate of grammar schools, were clergymen. It was the Church of England which established most of our village schools in the first half of the nineteenth century. With the growth of popular education it naturally became impossible to provide

a clergyman as the teacher of every school, and colleges were therefore established, principally by the Church of England, for the training of teachers, both men and women. Naturally there was discontent on the part of the Free Churches, and when in 1870 elementary education was made compulsory, alternative schools were provided under the control of elected school boards.* But even in these schools there has been Christian teaching, although not specially the teaching of the Church of England. In Scotland, where both the Established and the Free Churches are Presbyterian, there is no similar religious difficulty in elementary education, except in regard to the Roman Catholics.

Out of the use of our early leisure for the purposes of education come most of the subsequent possibilities of the fruitful use of our mature leisure. We have now made almost universal our Saturday half holiday, and most of the vast organisation of sport and games is in connection with it. Our daily newspaper is the great modern theatre, with all the world for its stage, and all the reading world for its audience. Gardening and books afford solitary pleasures; concerts and the theatre supply social pleasures. Conversation—the face to face exchange of experiences between men and women—is one of the greatest and most universal of the pleasures of

* Since 1902 School Boards have been abolished in England and Wales, and the schools are now controlled by the County Councils.

life. Grace of manners and of utterance, and all the arts of chivalry go to the refinement and increase of conversation. Clubs and public-houses have their justification in it. The debasement of social pleasures results in drunkenness, just as the debasement of sport results in gambling.

It would be possible to write almost endlessly in describing this side of our national life, but enough has been said to indicate the significance of the word leisure. It is the flower and blossom for which our whole civilisation exists. In the hope of enjoying leisure we submit to toiling industry and to the restraints of law and order.

CHAPTER XII

INSURANCE AND THE POOR LAW

Public Assistance

EACH man earns his living by rendering some service to Society, or he has the wherewithal to live without work by virtue of some service rendered either by himself or others in the past. The return which he obtains for his work or for his capital is fixed by the laws of supply and demand. If his skill be great and rare and in demand he will earn high wages. His capital will obtain high or low interest according to the degree of security with which he is content when he lends it, and according to the demand for the time being for the use of capital. So Society does rough justice to men according to their deserts.

With their money men may buy necessaries and leisure for themselves and those dependent upon them. Again the laws of supply and demand enter. If the supply of any of the necessaries of life becomes less for the time being, as may be the case with fish after a storm at sea, or with wheat after a rainy summer, then the cost of that

commodity rises, and a given wage will buy less of it. Thus while wages may remain fixed in money, the real wage as measured by what it will command may rise or fall according to the circumstances of the markets.

In times of scarcity the poorest suffer most. Those who in a good time receive only just enough wage to buy the bare necessaries are reduced to half starvation in the presence of scarcity. Some are thrown out of work, especially some of those who are engaged in the manufacture of luxuries, since the margin available for luxurious expenditure on the part even of the rich is in such a time reduced.

There are two kinds of mishap which may bring men down to poverty. On the one hand is accident to the individual, or sickness, or old age; on the other hand is misfortune to mankind at large or to a whole nation or district or class. In the one case the man ceases to render services to Society, and therefore his pay stops. In the other case the work of a whole race of men produces less, and some of them cease to be employed. The worst of it is that misfortune breeds misfortune. If a man be thrown out of employment he may lose the habit of steady work unless he have a very strong will. Even in normal times there are many who lack enough self-restraint to keep them from folly and vice which result in disease, incapacity, and death. Disease and death

bring further trouble to Society by rendering wives and children destitute.

We revolt against the seeming injustice of much of this suffering, and yet it is difficult to see how men can be induced to work, industriously and skilfully, unless their earnings be made to depend on their efforts. World-long experience seems to show that this is the only system which is adapted to the facts of average human nature. None the less the consciousness that ill may happen to himself should make each man compassionate for the misfortune of his neighbour. In the days of his strength let him not forget that he is fallible, and let him not be proud and cruel. The experience of history shows that, while pride and cruelty may flourish for a time, a society based upon them cannot endure. In the end there is always revolt against tyranny and slavery.

So it comes about that in this free and Christian land, while we maintain the system of competition among buyers and sellers both of labour and commodities, we have at the same time made elaborate provision for the care of the unfortunate and even of the vicious. We refuse to allow the vicious to starve, partly because Christian humility teaches us that vice may be the result of misfortune, but partly because it makes for security and for trust as between man and man that life should be regarded as sacred.

In the Middle Ages, when the peasantry were

villeins attached to the land, it was not very easy for a man or woman to fall out of sight and become destitute. For such few as did, lordless and kithless wanderers, there was the charity of the monasteries. With the close of the Middle Ages, with the end of villeinage and the dissolution of the monasteries, a new condition of things arose. The poor obtained their freedom and might leave the place of their birth, but freedom meant, as always, freedom to fall as well as to rise. The homeless poor became more numerous at the very time when the older agencies for their relief disappeared. Thus it became necessary for the State to step in, and the first Poor Law was passed at the end of the reign of Queen Elizabeth.

Those who are destitute, either permanently or for a time, now become the charge of the Guardians of the Poor, who are elected by the ratepayers of groups of parishes known as Poor Law Unions. Each half year the Guardians of each Union make a rate, that is to say, levy a tax on the owners and occupiers of land and houses within the Union, and apply the proceeds to the relief of the poor. Those who are helpless from old age, or infancy, or sickness, and have no friends to care for them, are taken into poor-houses, which are commonly known as workhouses, because able-bodied persons without means of subsistence are there given food and lodging for a night in return for a morning's work.

In the early part of the nineteenth century it was found necessary to apply what was known as the workhouse test to able-bodied paupers, whether their destitution were due to misfortune or to their own fault. The reason was the general reason already given, which compels Society to apportion its awards according to the effort put forth. What is known as Outdoor Relief is given to old people, and to widows with children, because it is felt that where effort is impossible aid may be given to keep the home together without encouraging idleness.

These are our fundamental principles in regard to life and labour. No one is to be allowed to starve in our land, but no person of able body and mind is to live in comfort unless as the result of labour or of past saving. Every one is thus to be incited to effort and prudence, and to be warned by the penalty of poverty from idleness, vice, and gambling. But those who meet with misfortune and are helpless shall receive help, and those who can work and have not work shall be given work and bare subsistence. To their honour be it said, that among the poor of our country there is the strongest dislike of falling under the poor law, and of becoming dependent on the State, or, in other words, upon their neighbours.

It is obvious that poor relief would be impossible unless the vast majority of our citizens strove

successfully to maintain themselves. The cost of the poor of the United Kingdom is about £12,500,000 a year, and the sum of the incomes of all the earners is about £2,120,000,000 a year, so that the cost of those who do not or cannot earn amounts to a tax on the earners of a little more than a half per cent.

The poor law is supplemented by the private charity of the rich. When England was mostly an agricultural country, and Society consisted almost entirely of squires, farmers, and labourers, much charity was dispensed locally and personally, or through the aid of the Rector or Vicar of the parish. Am I my brother's keeper? was a question which admitted of an emphatic Yes in regard to neighbouring homes. This system still continues in no small degree in our rural countrysides. But in the great cities, the homes of rich and poor have become too widely separated. The west end and the east end know little of each other personally, and the charitable rich now subscribe to great societies which dole out their help through professional agents, or through voluntary workers who devote their lives nobly to the purpose. Among the best and most effective of these agencies are the great voluntary hospitals of London and other of our towns. Incidentally these hospitals serve the medical schools for the training of doctors and nurses.

During the last hundred years several new

agencies, some of them voluntary and some compulsory, have been built up in this country to enable the workers to prepare for the rainy day. Let us consider the chief of them in succession.

First are the Savings Banks. Of these there are two kinds. In many districts some of the chief inhabitants have made themselves trustees for a local savings bank. At their office they receive pence and shillings saved out of weekly wages, and invest the sums so obtained, using their business skill for the assistance of those who are necessarily inexperienced in regard to the investment of capital.

The other kind of Savings Bank is that which is maintained by the State itself in connection with the Post Office. Here the Government is the trustee, and there is the advantage in connection with the Post Office Savings Bank that money may be paid into any Post Office in the kingdom, and by proper notice may be drawn from any other Post Office. Thus it is not necessary for a man who migrates from one part of the kingdom to another to draw out his money from one bank and put it into another. The Post Office Savings Bank, and most of the other Savings Banks, give two and a half per cent. interest on the money that is left with them. The total sum in the Post Office Savings Bank amounts to £170,000,000, or an average of about £20 for each depositor. The Trustee Savings Banks hold some

£53,000,000, or an average of about £30 for each depositor.

Second are the Friendly Societies. Originally these were gatherings of working men at a public-house or elsewhere, who agreed to pay into a fund so much a week in order that if one of their number fell sick he should receive assistance, or if one of their number died the cost of his funeral should be paid. These Slate Clubs, as they were called, usually divided any balance of money remaining over at the end of the year among their members. Far more effective and powerful are certain great societies which arose out of two further ideas. On the one hand, the local societies were federated, so that they became lodges of great corporations, as for instance of the Oddfellows or the Foresters. On the other hand, the balances were not distributed at the end of the year, but were retained. Thus it became possible for one lodge to help another, and also for the great amalgamated societies to employ experts to invest the common and accumulated funds. The total accumulated funds of the Friendly Societies amounted in 1911 to some £60,000,000.

Thirdly are the Trade Unions, which, as already said in a previous chapter, were formed principally for the purpose of joint or collective bargaining with the employers. Unemployment becomes frequent in every trade from time to time according to the fluctuations in the demand for

the commodities made, and each Trade Union has found it convenient to make levies on its members and to accumulate funds for the purpose of allowing "unemployed benefit" should the particular trade have a slack time. These funds became available to support members during a strike, though the law has now compelled a distinction to be made between the general funds of a union, and those funds which are intended for benefits of a Friendly Society nature. The accumulated funds of the hundred principal Trade Unions in the United Kingdom amount to some £5,000,000.

Fourthly are Building Societies, which collect weekly payments, and accumulate them in such way as to enable their members in the long run to own their own houses and thus to live rent-free, a most excellent partial provision for old age, especially for those whose work is not likely to shift from place to place.

Fifthly are certain great commercial companies known as Industrial Insurance Societies. They are commercial in the sense that they are formed by the subscription of capital by those who have saved money and expect to receive annual dividends. None the less it is possible for these societies to render help to those who pay their weekly levies—help of the same kind as is rendered by the Friendly Societies. Perhaps the most general provision that is made by those who belong to an Industrial Insurance Society is for

the funeral of the member and his dependents. The wish to give a decent funeral to their dead is the natural prompting of bereaved friends and relations, but there can be no doubt that a good deal of money is spent upon unnecessary show at funerals, and would be better spent for the benefit of the living.

Lastly we come to certain vast systems of provision against mishap which have recently been inaugurated by the State through the Post Office. It has long been felt that there was a taint about the workhouse, and even in the receipt of outdoor relief, which ought not to be inflicted on the aged. They have done their work in life and have reached a time when they should rest honourably, even if frugally. The effort of every one, after providing for those dependent upon him, should be to lay up enough for his old age. Unfortunately people who are in the vigour of life commonly refuse to consider the contingency of old age. They may never grow to be old. Weekly provision for old age has not hitherto been considered as part of the necessary expenditure of the mass of the workers.

The minimum proper standard of living is the expenditure which will suffice to keep a man and his dependants in full health and activity. This expenditure ought to include in addition to food, housing, fuel, and clothing, also the cost of education for the young and provision against

old age, but as a practice it has not included and does not include them. Therefore the State has stepped in, and has made education compulsory at the cost of the taxpayer and the ratepayer, and the State now also undertakes to find an old age pension of five shillings a week for each person in the land over seventy years of age who is in poverty. This pension is paid through the Post Office. The result would be exactly the same if wages were higher, and it were the custom for each family to pay for the education of its young and to make provision for old age.

The same principle, namely, that the State will spend our money for us instead of leaving us to spend for ourselves, is involved in the National Insurance Act, the newest of our provisions against mishap. This Act is divided into two parts. On the one hand all those trades which have to do with construction —whether of houses, or ships, or bridges, or locomotives, or railways—are compelled to make provision against unemployment. The employers must deduct $2\frac{1}{2}d.$ from the weekly wages, and must themselves make an additional payment of $2\frac{1}{2}d.$ on account of each workman. The sum of $5d.$ for each workman which is thus obtained is paid over to the State. Out of the funds so accumulated the State gives benefit in the case of unemployment.

The construction trades have been singled out

for this treatment, because they are specially liable to spells of unemployment. Construction depends mainly on the expenditure of capital. Fresh capital is spent when it is worth while to make new ventures, that is to say when trade is flourishing. In times of trade depression the construction trades commonly suffer most.

No assistance is given where unemployment is the result of a strike or a lockout or of misconduct, and in order to prevent waste and wilful idleness labour exchanges have been established in most of the towns of the country, and the benefits are paid through these exchanges. Where a man represents himself as unable to find work he is directed by the exchange to where work may be had, and no assistance is given to him if he will not accept the job offered, but if no job can be found for him then assistance is given.

The other half of the Act is to cover sickness and disability. Sevenpence a week is paid by each employer to the State by means of a stamp bought from the Post Office and affixed to the workman's card. Of this sum the employer is entitled to deduct fourpence from the wages paid. For women and for those who earn very small wages these sums are slightly varied. The State adds twopence to each sevenpence contributed by master and man, but there are certain deductions from this twopence, as, for instance, for administration. The benefits at present promised are

in the first place medical attendance, in the second place a payment of ten shillings a week in case of illness, and in the third place in case of permanent disability the sum of five shillings a week until the age of seventy, when an old age pension becomes available.

Just as in the case of Unemployment Insurance the Labour Exchange is used as a buffer between the State and the workman in order to detect wilful idleness, so are Recognised Societies employed to detect malingering in the case of Invalidity Insurance. These societies may be either Friendly Societies, or Trade Unions, or Industrial Insurance Societies. The funds accumulated on behalf of the members of each Society are entrusted to that Society, so that the total of £60,000,000 standing to the credit of the Friendly Societies in 1911 will soon be vastly exceeded, but on one condition. The schemes must be actuarially sound. In other words, the promised benefits must not constitute a drain on the funds which they are not calculated to bear. Malingering on a great scale would have this effect.

The result of all these new agencies should be to reduce the poor rates appreciably at no distant date. What the effect on our national character will be remains to be seen. Hitherto saving has been voluntary, and thrift has been inculcated as a great virtue. Now the State will do our saving for us, and in regard to

the remainder of our money there is danger that we shall no longer exercise quite the same self-restraint. Let it be admitted that there will be less suffering on the part of the thriftless and on the part of those dependent on them. That is a great gain. But let us not forget that we have hitherto regarded the thrifty as the very salt of the nation. It is to be hoped that the salt may not lose its savour.

CHAPTER XIII

WESTMINSTER

Legislation

The laws of our country are made by Parliament, which sits in Westminster Palace. Parliament consists of the King, the House of Lords, and the House of Commons. The present Palace of Westminster was built after the destruction of the former palace by fire in 1834. Only the Great Hall was saved, and the crypt of St. Stephen, over which was the old House of Commons.

In the Middle Ages the King lived in Westminster Palace, and attached to the Palace was Westminster Abbey. This connection of a royal palace and a religious house was not uncommon. We find it for instance at Holyrood in Scotland, at Windsor, where is the beautiful Chapel of St. George, and in Spain at the Escurial, near Madrid.

In connection with Westminster Palace and Abbey is the historic Westminster School, just as beside Windsor Castle King Henry VI. founded Eton College. In the great Abbey Church of Westminster are the tombs of many famous Englishmen.

Parliament thus meets in the midst of the memorials of the past, and has before it always the great history of our nation. The House of Commons contains 670 members. The number of the House of Lords varies a little from time to time, but is about 600. When it is desired to make a new law a Bill is brought into one or other of the two Houses, and leave is asked to read the Bill a First Time, and to have it printed. At the Second Reading discussion takes place in regard to the main principles of the Bill. If it is approved by a majority the Bill is then sent to a Committee, which may consist of a certain number of the members meeting in a Committee Room, or in the case of an important Bill may consist of the whole House. The Bill is discussed clause by clause in Committee, and amended as the majority think well. Then it is Reported to the House and if need be is further amended. It is then read a Third Time in its final form.

The Bill is now sent to the other House, where it passes through the same stages. Should fresh amendments be made, it comes back to the House in which it originated, for the consent of that House to the supplementary amendments. Finally it is submitted to the King, who usually gives his consent by sending Commissioners to the House of Lords to signify his will in the old Norman French words, *Le Roy le veult*, meaning "The King so wishes." On such occasions the Commons

are summoned to the House of Lords to hear the Royal Message.

The formality of the Royal Consent converts the Bill into an Act of Parliament. Not since the days of Queen Anne has the sovereign refused consent to a Bill which has passed through both Houses. The words with which an Act of Parliament usually commences are as follows:—

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: and then follow the clauses of the new law.

The Acts are numbered according to the years of the sovereign's reign, for instance, 1 and 2 Geo. V., Chapter 55. This particular Act is the National Insurance Act passed in the session of Parliament of 1911. That session ran into the first and second years of King George's reign, since the reign began in May, 1910, and the session of 1911 began in February and lasted until December. The National Insurance Act was the 55th Act of the session.

Once a Bill has become an Act of Parliament the judges and the magistrates must give effect to it in the Courts of Law. It is their duty to say what Acts apply to particular cases, and when they have given their decision, it is for the police to see that that decision is obeyed, and if necessary

the police may use force to compel obedience. In the last resort, should there be strong resistance to the police, the magistrates are empowered by the Riot Act to call in the assistance of the soldiers. Thus the will of Parliament is made to prevail.

When a new Parliament is to be elected, the King signs a proclamation fixing the date on which it is to assemble in the Palace of Westminster. The country is divided into divisions or constituencies, of which the great majority elect one Member of Parliament, but a few elect two. These divisions are either boroughs or parts of boroughs, or else they are counties or parts of counties. In each borough and in each county there is a Returning Officer, who is the High Sheriff in the case of a county, and the Mayor in the case of a borough, except in Scotland, where the Returning Officer is the Sheriff in both cases. The King signs a writ of summons addressed to the Returning Officer for each division, directing him to make arrangements for the proper election of a member to serve in the Commons House of the forthcoming Parliament. At the same time a writ of summons is issued personally to each peer who is a Member of the House of Lords.

On receipt of the writ the Returning Officer fixes a day for the nomination of candidates. The electors are of various opinions, and in each constituency those who take most interest in politics have formed themselves into Associations

and Clubs. There are at the present time four principal views of a divergent character in regard to the politics of this country, and those who hold these views are known as Unionists, Liberals, the Labour Party, and the Irish Nationalists. One or more of these Associations brings forward a candidate, and lodges his nomination with the Returning Officer, with the signatures of a certain prescribed number of the electors of the division.

If there is only one such nomination the Returning Officer declares the candidate elected to serve in Parliament, but if there are two or more nominations, then a poll of the electors is taken by ballot, that is to say with secrecy. The constituency is divided into a certain number of polling districts, in each of which a school or other public building is set apart on the day appointed by the Returning Officer for the purpose of receiving the votes. The electors entitled to vote are those whose names appear on the electoral roll of the division, which is a printed list revised every autumn by a barrister appointed for the purpose. He removes from the old list the names of those who are no longer qualified to vote, and adds new names, in accordance with the Acts of Parliament which define the qualifications necessary for electors. Men may be placed upon the roll either as owners of land, or as occupiers of houses, or as lodgers occupying rooms of a certain annual value, or in respect of a

very few other qualifications in certain special constituencies, such as the Universities and the City of London.

The elector's name is ticked off the roll when he asks for a voting-paper, in order to make sure that he does not vote a second time, and that no one else votes by impersonating him. The voting paper which he is given contains the names of the candidates in alphabetical order. With that paper he goes into a closed compartment provided for the purpose, and there he puts a cross against the name of his choice. He must not sign his name or make any other mark on the paper, or his vote will be disallowed. He then folds the paper so as to hide his cross, and returning to the table puts it into the ballot box in the presence of the Presiding Officer.

After the close of the poll the ballot boxes are opened and the votes counted. The Returning Officer declares elected the candidate with the largest number of votes, and fills up the Writ which was despatched to him, returning it to London.

On the day appointed in the King's Proclamation the Members of Parliament assemble at Westminster, and the House of Commons proceeds to elect its President, who is called the Speaker. The Speaker's name is submitted to the King, who assents to the choice of his faithful Commons. Then each Member takes the Oath

of Allegiance to the King in the presence of the Speaker, and signs the roll of Parliament. The Clerk of the House at the same time marks off his name on the list which has been compiled from the Writs sent back by the Returning Officers. Any person who votes in Parliament without having thus established his right to be there, is liable to a fine of £500 for each vote given. The Peers also take the Oath of Allegiance in the House of Lords.

The House of Commons is so arranged that the Speaker sits at one end, and there is a vacant space down the floor of the Chamber in front of him. On either side of this space the seats rise tier above tier, so that the Members face one another across the House, and half are to the right of the Speaker and half to his left. It is customary for the two great parties, the Liberals and the Unionists, to sit on opposite sides of the House. The smaller Parties, that is to say the Nationalists and the Labour Party, also occupy places which it is customary to leave to them. Of the two great Parties that one sits to the Speaker's right which commands a majority of votes in the House, either with or without the help of the smaller Parties. On the Front Bench to the Speaker's right sits the Leader of the Majority, and on the Front Bench opposite to him the Leader of the Minority or Opposition. The Leader of the Majority is usually spoken of as the Leader of

the House. Every Member addresses his remarks to the Chair, and no Member is referred to by name by another Member, but always by the name of his constituency, or by his office, should he be a Minister. When a Member wishes to speak he rises in his place, and if several rise at the same time the Speaker selects one of them, calling upon him by his own name, and not by the name of his constituency.

The deference which is paid to the Speaker is great. When he rises, every other Member sits and is silent. It is this which distinguishes the House of Commons from a mere mob assembled in an ordinary room. The tradition of deference to the Speaker has strengthened through six centuries. He occupies a House within the Palace. In the Chair he wears a full-bottomed wig, a gown, knee-breeches and stockings, and buckled shoes. Although originally elected as an ordinary member of a Party, he is scrupulously fair as between all Parties once he has been elected Speaker. It is the custom to re-elect him during several Parliaments, and he usually remains Speaker for some ten years, though in successive Parliaments now one Party and now the other may have a majority. When he retires he is made a Peer.

The Government of the country is carried on by the King and his Ministers. In our modern constitutional realm the King always selects for

his Prime Minister the Leader of the Majority in the House of Commons, or in some cases the Leader of that Party in the House of Lords which has a majority in the House of Commons. Thus in 1894 Lord Rosebery was Prime Minister, although his Party was in a minority in the Lords, but it had a majority in the Commons. The Prime Minister selects the other ministers from the members of his Party in the Commons and in the Lords, and in each House the Ministry sit on the Front Bench to the right of the Chair. The Front Opposition Bench is occupied by those who were Ministers when the Opposition were last in power, their leader being usually the Ex-Prime Minister. One of the Ministers, who is a lawyer, is chosen to be the Chief Judge of the country, and is known as the Lord Chancellor. He is always raised to the Peerage, and presides on the Woolsack in the House of Lords, except when the King is present at the opening or closing of a session.

This is the system known as Party Government. Various views are presented to the electors in a constituency by the several candidates, and they choose the man whose views commend themselves to a majority. Occasionally, no doubt, they choose a man because of his great personal popularity in the district, rather than for his views, or they may reject a man because it is felt that he is not a fit and proper person to represent the constituency in Parliament. Thus the House of Commons

becomes in the main a miniature of the nation, with the various views represented which are held in the nation, and with that view dominant which is dominant in the nation. Whether our present electoral law achieves this as completely as it might do is a question often discussed.

The essential thing about Party Government is that all the King's Ministers are chosen from the dominant Party. The Ministry proposes everything, and the Opposition is limited to criticism. Except in so far as that criticism is good, and cannot be neglected in view of the publication of the debates in the newspapers, the Opposition is without power. Hence the Ministry chosen from the Party in a majority is said to be "in power." It is often referred to simply as "the Government."

In our past history it has happened more than once that those who have held different views as to the policy of the country have fought in civil war. The advantage of the present system is that by counting heads we ascertain which view is in a majority, and which view would therefore probably win were resort had to fighting. Even so, there are occasions on which a minority might refuse to submit to a majority. Party Government can only work peaceably where there is fair play towards the minority. That is why it is felt to be of such immense importance that the Speaker should be respected in Parliament. It

is he who secures a hearing for all views, however unpopular some of them may be. Thus criticism of the Government is heard in Parliament and in the country, and if it is shown that mistakes have been made, public opinion may gradually turn against the Government of the day. Moreover, the Leaders of the Opposition in the House of Commons, having themselves been Ministers, know from experience the difficulties of government, and they are also aware that sooner or later they may again have the responsibility of guiding the nation. Therefore their criticism is measured.

A Parliament lasts at the most for five years, but often only for two or three years, and sometimes only for a few months, as in 1910. Each year a session is held which lasts usually for about seven months, though it may last more or less. At the opening of a Parliament, and at the beginning of each session afterwards, the King goes in procession from Buckingham Palace to Westminster Palace, and presides in the House of Lords, and the Commons are summoned to the Bar of that House. The King reads a Speech to the two Houses which has been drawn up by his Ministers. Should he be prevented from opening Parliament in person, he sends Commissioners who read his Speech in his place.

The King's Speech is the short programme for the session. It states what are the chief

measures which will be brought before Parliament by the Government. It informs "The Gentlemen of the House of Commons" that Estimates for the Public Revenue and Expenditure will be placed before them, and it gives a general account of the state of our relations with Foreign Powers.

When the King has withdrawn, a Loyal Address is moved in each House in reply to the Gracious Speech by two junior but promising members selected from the Government benches. Then a general discussion takes place, often lasting for several days, in regard to the policy of the Government. This discussion, which is a preliminary skirmish between the Parties, is not without value, for it informs Members of Parliament themselves, and also the public outside, in regard to the various opinions which, after the events of the Recess, are held on the chief questions of the day.

Usually an amendment to the Address is moved from the Front Opposition Bench. The form of the resolution for the Address in the Commons is as follows:—

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which

Your Majesty has addressed to both Houses of Parliament.

The amendment takes this form: *To add at the end the following words:* "*But humbly submit to Your Majesty that . . .*" and then follow words criticising the policy of the Government as set forth in the "Gracious Speech." The amendment is usually to the effect that something is proposed to be done which should not be done, or vice versa.

At the conclusion of the Debate the Speaker reads the original resolution, and then reads the words of the amendment, and then puts the question thus:—

Mr. Speaker: *The question which I have to put is, that those words be there added. Those of that opinion say "Aye."*

The Opposition: *Aye.*

Mr. Speaker: *On the contrary, No.*

The Government: *No.*

Mr. Speaker: *I think the Noes have it.*

The Opposition: *The Ayes have it.*

Mr. Speaker: *Clear the Lobby.*

Division bells are then rung throughout that part of the Palace which is assigned to the Commons, and after two minutes the Speaker again puts the question, and then adds: *Ayes to the Right, Noes to the Left. Tellers for the Ayes, Mr. A. and Mr. B.* (naming two of the Opposition

Whips). *Tellers for the Noes, Mr. C. and Mr. D.* (naming two of the Government Whips).

The Members then stream out from opposite ends of the House, and pass through the "Aye Lobby" or the "No Lobby," as the case may be. As they go through the doors, one at a time, they are counted by the tellers. There is an Aye teller and a No teller on each Lobby, and they check each other. When all the Members have been counted, the four Tellers appear in a line facing the Speaker, and bow to him, and one of the winning Tellers announces the figures.

In all probability the Government will have won, and the amendment will have been defeated. The House has refused to add the proposed words to the Address. But should the Opposition amendment have been carried, the Prime Minister will rise in his place and announce that in view of what has happened the Government must consider their position, and he will propose that the House do adjourn. Mr. Speaker will then put the question, *That the House do adjourn*, and the Members will pour out. In the midst of great excitement, after lingering to talk in the Lobbies, they will disperse to their homes. The chief Ministers, who constitute the Cabinet, will then meet, and in all probability, since the House has passed a vote of No Confidence in them, the Prime Minister will go to the King and hand in his resignation. The King will send for the Leader

of the Opposition, and will request him to form a Government. The Leader of the Opposition will ask his colleagues on the Front Opposition Bench to accept the various Ministries, and he will add to their number such members from the back benches of his side as for various reasons he thinks will increase the strength of his Government. He will then report to the King that he has succeeded in forming a Government. The old Ministers will assemble at Buckingham Palace and deliver up their seals of office, which will at once be handed over by the King to their successors.

Under ordinary circumstances, however, the amendment to the Address having been defeated, and the Address agreed to, the House will proceed to the business of the session. The House meets on Mondays, Tuesdays, Wednesdays, and Thursdays at 2.45, and sits until 11.30 p.m. On Fridays it meets at 12, and sits until 5.30. At the beginning of each sitting except Friday an hour is allowed during which Members may ask questions of the Ministers in regard to their several offices. Each Minister has under him in a large building near the Houses of Parliament a staff of officials, who are servants of the State, paid by the State. These officials may be Civil Servants, or Military, or Naval. The questions put to the Ministers must have regard to the work of their Departments, but questions may be addressed to

the Prime Minister as to the general policy of the Government. Thus Members are able to obtain information in regard to the conduct of administration in the several departments, and upon the answers to found criticism in the course of the debates. In cases where the answers cause great displeasure a vote of censure on the Government may be proposed, and if such a vote is carried in the Commons it involves the resignation of the Government, unless they prefer to appeal to the country by a General Election. Thus Parliament not only makes our Laws, but also in the last resort controls their administration.

The House of Commons orders its own business. There are *Standing Orders* which have been adopted from time to time, and which must be obeyed until the House by vote decides otherwise. These Standing Orders govern the conduct of the debates, and guide the Speaker in his decisions. There are *Sessional Orders*, passed at the beginning of each session. One of these makes it the duty of the police at Westminster to see that Members have free access to the House. This is necessary, because Members may be hurrying to take part in a division, and a crowd of opponents might assemble outside and block the way. *Orders of the Day* are matters set down for consideration on a particular day in compliance with decisions of the House.

Bills proposed by the Government have precedence under the Standing Orders over Bills proposed by Private Members except on certain days. This is essential because the Government is responsible for the management of the country. It must, of course, be given all necessary powers to discharge this duty, and if it have not the necessary powers, then it must go to the House and ask for fresh legislation, and it is only right that that legislation, being demanded by the responsible Government of the day, should have precedence over all other proposals.

This it is which gives to the Government such great importance. Not only have the Ministers control over the details of the administration by the Civil, Military, and Naval servants of the country, but they also have control over the greater part of the time of Parliament for the purposes of legislation.

Finally, the House of Commons has supreme ultimate control of the finances of the country. As already said there is a special clause in the King's Speech of each year stating that Estimates will be placed before the House of Commons, and that that House will be asked to make provision for the King's Government. These Estimates are brought before a Committee of the whole House which is known as Committee of Supply. The Speaker is not in the Chair, but the

Chairman of Committees presides. There is advantage in the discussion of finance in Committee, because under the Standing Orders a Member may speak on the same question more than once in Committee, but not in the House. Long speeches are out of place when the details of finance are under consideration. Conversation is more apt for the purpose than set debate.

In Committee of Supply the Government bring forward Estimates for the different Departments, and the Committee sits on at least twenty days during the session of each year. Members may propose to reduce the amount asked for, but they must not increase it. It is for the Responsible Government to say what money is necessary for the national services which they have to conduct.

Once a year the Minister of Finance, who is known as the Chancellor of the Exchequer, makes his Budget Statement. He speaks on this occasion in Committee of the Whole House, but this Committee is known as the Committee of Ways and Means. Supply is concerned with expenditure, and ways and means with the raising of money. Having ascertained from his colleagues what money they desire for their several departments, the Chancellor now states how he proposes to raise the sums to which the Cabinet has agreed.

Finally two Bills are brought in. The one is

known as the Appropriation Bill, in which all the supplies voted are set out, together with the purposes for which they are voted. The permanent officials may make no payment except in accordance with the Appropriation Act. The other is known as the Finance Bill, which gives power to the Treasury Officials to exact the necessary taxes from the subjects of the realm.

The Government balance sheet varies, of course, from year to year. In round figures it usually stands somewhat thus at the present time:—

Revenue.	£	Expenditure.	£
Customs ..	35,00,0000	National Debt—	
Excise ..	39,000,000	1. Interest and Management ..	17,000,000
Death Duties	27,000,000	2. Repayment ..	7,500,000
Stamps on legal documents ..	10,000,000	Local Expenditure, contribution to ..	9,500,000
Income Tax	46,000,000	Road Development and Improvement Fund	1,300,000
House Duty	2,000,000	Army	28,000,000
Land Tax ..	750,000	Navy	46,500,000
Land Value Duties ..	750,000	Old Age Pensions ..	12,600,000
Post Office ..	30,500,000	Labour Exchanges and contribution to Insurance	7,400,000
Crown Lands	500,000	Education	20,000,000
Suez Canal ..	1,250,000	Civil Services	15,000,000
Miscellaneous	3,250,000	Cost of collecting the Revenue	4,500,000
		Post Office	24,500,000
		Miscellaneous	2,200,000
	196,000,000		196,000,000

The Post Office is really a great business concern, making an annual profit of about six millions. The Crown Lands and the Suez Canal shares are a public estate or "common good." Customs duties are raised at the coast. Excise duties are the equivalent duties raised on home production.

CHAPTER XIV

THE TEMPLE

Litigation

MIDWAY between Westminster and the City of London is a group of old buildings of brick and stone standing in quiet gardens, from which traffic except on foot is excluded. The place is like a College at Oxford or Cambridge. The quiet of it is remarkable as contrasted with the stream of traffic in the neighbouring Strand. These buildings are known as The Temple, and peaceful as they seem are really a hive of industry, for they are occupied almost wholly by lawyers' offices. Among them, however, is a famous Church, built on the model of the Temple at Jerusalem by the Knights Templar, an order of chivalry among the Crusaders in the Middle Ages. When the Knights Templar were dissolved their home in London was assigned to two Societies of Lawyers, who came to be known as the Societies of the Inner and Middle Temple. Each of these Societies has its Hall where the members may dine together, and each has a fine library of law books. From among the senior members certain

are elected to be Benchers, and the Benchers govern the Society and manage its property. They have also the right of calling law students to the Bar, thus making them full members of the Society or Barristers.

In addition to the Inner and Middle Temples, there are two other Inns of Court, Lincoln's Inn and Gray's Inn, whose buildings are placed away from the river to the north. Between Lincoln's Inn and the Temple stand the Law Courts, built in the reign of Queen Victoria for the High Court of Justice. Formerly the Judges used to sit in Westminster Hall, and in Courts leading from it which have now been pulled down.

When the King resided at Westminster Palace, and Parliament met there, and the Law Courts sat there, the Government of the country was all under one roof, but in those days our population was small and its government was simple. The King and his Court were the first to leave Westminster for other palaces in the neighbourhood. The Tudor and Stuart Kings lived at Whitehall, of which only the banqueting chamber now remains. William III and his successors lived in St. James's Palace. The present and the last two sovereigns have lived in Buckingham Palace. When the Law Courts came away from Westminster Palace a generation ago that Palace was left wholly to Parliament, and is hence often spoken of as the Houses of Parliament.

The High Court of Justice, which has jurisdiction over England and Wales, consists of about twenty-five Judges, each of whom receives a salary of £5,000 a year. Once appointed a Judge is irremovable, except on the petition of both Houses of Parliament to the Crown. It is necessary to pay these large salaries because we require for Judges the most acute and experienced lawyers, and such men can earn large incomes at the bar, since suitors are willing to pay well for skilful advocacy and wise advice. The Judges are made irremovable, except with the greatest difficulty, in order that they may be raised above the need of conciliating any one, however great, and may judge fairly and fearlessly as between high and low. Unlike almost all the other servants of the State, their salaries are not voted annually by the House of Commons, but are paid by virtue of a permanent, not an annual, Act of Parliament. The provision made for the King and also for the Speaker of the House of Commons is on the same footing. The chief of the Judges of the High Court is the Lord Chief Justice.

Questions of fact are settled by single Judges sitting in what are known as Courts of First Instance. With or without a jury such courts hear the evidence of witnesses, and can therefore form an opinion of their truthfulness. The conduct of the prosecution and of the defence in each case is in the charge of barristers, although

litigants have themselves a right to conduct their own cases if they are foolish enough to exercise it. Very few people are good advocates in their own cause. Solicitors have not the right of pleading in the High Court, though they may plead before the ordinary magistrates.

The ordinary procedure of litigation is as follows. The litigant goes to a solicitor and instructs him to sue the person with whom he has a quarrel. The solicitor applies at the office of the Court for a writ summoning that person to appear himself or by his solicitor before the Court. The writ is served on the person in question, who as a rule hands it over to his solicitor, and he, the defendant's solicitor, enters an appearance at the office of the Court. The two solicitors now proceed as follows, having a fixed number of days allowed to them by the rules of the Court for each stage of the litigation. The plaintiff serves a statement of claim on the defendant, who replies with a statement of defence. The plaintiff may make a rejoinder, and the defendant may reply to that rejoinder. Issue is now joined—that is to say, the point in dispute, whether it be a point of fact or of law or of both, has clearly emerged from the discussion, and the case is set down for trial. Both solicitors instruct counsel—that is to say, they prepare Briefs which they send to the barristers of their choice.

The barrister gets up the facts of the case from

his brief, and then considers the law which applies to them. All necessary books are at hand for him to consult in the library of his Inn. When the case comes on in its turn the Judge has before him the record—that is to say, the series of documents by which the discussion has been conducted—the writ and appearance, the statements of claim and defence, and the rejoinders. Counsel for the plaintiff opens with a short statement of the affair as he sees it, in order that the Judge and Jury may know to what points in the evidence they should direct their attention. He calls his witnesses, who are sworn, and he examines them in chief. Counsel for the defendant cross-examines them to test their veracity, or to bring out other points. Counsel for the plaintiff may then re-examine to set any point right which he considers to have been prejudiced by the cross-examination. He then announces that his case is complete. Counsel for the defendant now gives a short statement of the affair from his point of view, and summons his witnesses, who are examined in chief, cross-examined, and re-examined. Finally the two Counsel address the Court, drawing the conclusions which they think are justified from the evidence which has been given, and arguing from previous decisions and from Acts of Parliament as to the law which they respectively think should apply. The Judge directs the Jury, pruning the statements of Counsel on either side where he

thinks that they have been excessive. He separates the definite questions of fact which he leaves to the Jury, who give their answers through their foreman. The Judge then gives judgment, and the judgment is entered on the Record by the officer of the Court. Of course there are many minor variations of this procedure, but this is the essence of nineteen out of twenty cases.

Angry litigants would waste a great deal of time by saying things which are not pertinent, and concealing things which are. The solicitors and barristers clear away all considerations which are not to the point, and the Judge is therefore able to give a clear decision on the rights in dispute.

Two very distinguished lawyers are employed by the Government, and are called the Attorney-General and the Solicitor-General, although they are always barristers. When the servants of the Crown in any department seek to exercise powers given to them by some Act of Parliament, either for the purpose of raising taxes or for some other purpose, it happens from time to time that their right to act is challenged by some one, who asserts that the Act was never intended to apply as they are making it to apply. It is then the duty of the Attorney-General and the Solicitor-General to advise the Government whether they should bring an action against the person in question to enforce payment or other compliance with the Act. If such an action be brought in the

name of the Crown on an important point, the Attorney-General and Solicitor-General will appear for the prosecution—that is to say, for the Government—but the Judge will give his decision as though two ordinary litigants were before him, for the Government has no power against individuals except such as is given to it by the law of the land.

The British Constitution is unwritten except in so far as parts of it have been modified by Act of Parliament, and are therefore contained in the modifying Acts. The Law of England which is known as the Common Law is also unwritten, except in so far as it is to be inferred from the decisions of the Judges recorded in the printed law reports, of which there are now several hundred volumes. A Judge does not decide anything beyond the immediate point brought before him. With our advancing civilisation novel points are constantly arising, and it is the duty of the judges to apply the unwritten principles of the Common Law to the new circumstances. In each case a Judge is guided by the nearest precedents recorded in previous judgments. Thus it can never happen that there is no rule of law applicable to the point at issue, no matter how strange the dispute which comes before the Court.

Occasionally in pursuance of their duty the Judges have to declare the law to be something inconvenient to the community. The law is then

altered by Parliament. Thus it will be seen that Britain is governed by unwritten customs, to be deduced from a vast number of cases which have been decided beforehand, unless Parliament has intervened by statute to overrule the Common Law.

Sometimes it happens that one or other of the suitors in a case is dissatisfied with the decision of the Court of First Instance in regard to the law that is applicable. The case then goes to the Court of Appeal, which consists of six Judges of long experience, known as Lord Justices, under the Presidency of the Master of the Rolls. As a rule witnesses are not heard in the Court of Appeal, since the facts have been established by the lower court, it may be on a verdict of a jury. Finally, should there still be doubt as to the correct law, a further appeal will lie to the highest tribunal of the land, which is the House of Lords.

When the House of Lords sits for the decision of appeals, the Lord Chancellor, who is always a great lawyer, presides, as he does when the House sits for legislation, but the lay lords—that is to say, the lords who are not experienced lawyers—are not present. Their place is taken by four paid Lords of Appeal, all of them great and experienced Judges. One of these Law Lords is chosen from the Irish Judges and one from the Scottish Judges, but the other two and the Lord Chancellor are taken from those who have practised in the English Courts. The ex-Lord Chancellor, belonging to the political

party which is in opposition, is also usually present, so that the House of Lords, when sitting as a Court of Appeal, consists of four English lawyers, a Scotch lawyer, and an Irish lawyer. Any other peer who has held or holds high legal office is qualified to sit.

The Scottish Law Courts are separate, and the Scottish Law is different from the English Law. Almost every term employed by the Scottish lawyers is different from the English. In Scotland they speak of a pursuer and a defender, instead of a plaintiff and a defendant as in England. None the less a final appeal lies from the Court of Session in Edinburgh to the House of Lords.

The Irish Courts of Law are also separate from the English, although they administer the same Common Law, except where differences have been made by Act of Parliament. As in the case of Scotland there is a final appeal from the Dublin Courts to the House of Lords.

CHAPTER XV

THE CITY

Finance

We went from Westminster to the Temple. Let us continue our journey through London eastward to the City, where men deal in money. Every week gold to the value of nearly a million pounds comes from the South African mines by the mail steamer, and is landed at Southampton, whence it is brought by train to London. It is in the form of small bricks, known as ingots, and is consigned to one of three or four firms of bullion dealers in the City. By them it is refined in order to clear it of dross, and except for so much as may be bought for use in the arts, it is either sent abroad or goes into the cellars of the Bank of England.

From time to time gold bullion, or uncoined metal, is sent to the Mint to be coined into sovereigns and half sovereigns. Each sovereign contains 123·275 grains of pure gold. The edge of the coin is milled, in order to prevent it from being gradually pared away by those who might adopt that method of getting rich. A

bank may refuse to accept a sovereign at the value of a sovereign if it weighs less than 122·5 grains, but the gold in a light sovereign will always have value according to its weight.

The Mint also coins silver and bronze, but coins of these metals are merely tokens. The law says that the change for a sovereign shall be twenty shillings, and that the change for a shilling shall be twelve pence, but the silver contained in twenty shilling pieces can be bought from the silversmith for a good deal less than a sovereign, and the bronze contained in twelve penny pieces is worth a good deal less than a shilling. A silver shilling represents, however, according to the law, the twentieth part of a sovereign. In other words, it is a token of that value. The token is made of silver because that is a convenient material to employ, but if Parliament chose to pass an Act to that effect, we might print little notes on paper, twenty of which should be the change for a sovereign.

As a fact the law does do this in respect of sovereigns themselves. For every five pounds of gold in its cellars the Bank of England may issue a Five Pound Note. The wording on the paper is to the effect that the Bank of England undertakes to pay five golden sovereigns in return for the Note whenever it is presented across the Bank counter. By Act of Parliament a Bank of England Note must be accepted as equivalent to gold

whenever a debtor is paying his debts. The technical form of expressing this fact is to say that sovereigns and Notes of the Bank of England are legal tender to any extent, whereas silver is only legal tender to the extent of £2, and bronze only to the extent of one shilling. In Scotland the banks issue one pound notes, but these are not current south of the Border.

The Bank of England usually holds some £30,000,000 of gold, against which it issues notes, but it has the right to issue notes to the value of about £18,000,000 more. Thus if there were £40,000,000 of gold in the Bank cellars the note issue would be £58,000,000, but if there were only £20,000,000 of gold in the cellars, the issue would be £38,000,000. The gold in the cellar of the Bank is known as the Gold Reserve of the country.

Most people do not bank with the Bank of England, which has only a few branches in the country. There are other banks which have a great many branches and are therefore more easily accessible. The head office of each of these banks is in the City of London, close to the Bank of England and to the Mint. No less a sum than £89,000,000 is usually deposited by its customers with Lloyds Bank. Such Banks as the London County and Westminster, and the London City and Midland are nearly as large.

Every day a vast number of cheques are written by those who have bank accounts, and are paid into

other banks by those who receive them. These cheques are collected from their branches by the City offices of the several banks, and are sorted out according to the bank upon which they are drawn. They then go to the Bankers' Clearing House, where it is found that each of the banks owes varying sums to each of the other banks on account of the cheques which have been drawn and paid in. Each of the Clearing Banks has an account with the Bank of England, which is therefore known as the Bankers' Bank, and it is a simple matter for each to pay the sums which it owes to the others by cheques drawn on the Bank of England. When the operations for the day have been completed the Bank of England is neither richer nor poorer, for it holds the accounts of all the clearing banks. All that has happened is that the balances of some have increased by precisely the amount that the balances of others have decreased.

In addition to the other bankers, the chief client or customer of the Bank of England is the Government. The proceeds of the taxes are paid into the Treasury Account at the Bank and form the Consolidated Fund. It is known as Consolidated because the different departments of Government no longer keep separate funds. The three great Revenue Departments which pay into the Bank of England are the Board of Customs and Excise, the Inland Revenue Board, and the Post Office. The payments of the Government

are made by orders which are met by the Bank of England. Very few of these orders are paid directly into the Bank of England. Most of them are presented like ordinary cheques at the branches of the other banks, and these banks present them to the Bank of England. Since the Bank of England holds the balances both of the bankers and of the Government, the Bank of England is not the poorer by the transaction. When the Government is paying out, all that happens is that the Government balances in the books of the Bank of England fall, and the balances of the outside banks rise by the same amount.

Thus it appears that the vast mass of the business of the country is done with the aid merely of account books and paper cheques. Very little gold and silver passes, except for the payment of weekly wages, of railway fares, of petty purchases in shops, and for similar purposes. The total sums which annually pass in cheques through the Bankers' Clearing House amount to the colossal figure of some £15,000,000,000, and the total quantity of gold in the pockets of the people, in the tills of the bank branches, and in the cellars of the Bank of England, is probably not much more than £100,000,000.

Among the duties which the Bank of England undertakes for the Government is that of paying the interest on the National Debt. The National Debt consists of various loans amounting in all

to about £700,000,000, but the chief of these loans is known as Consols, because the interest is not voted annually by Parliament, but, like the salaries of the Judges and of the Speaker, it is charged once and for all on the Consolidated Fund by Act of Parliament. If the House of Commons were to fail to vote the Army Estimates in any year, the pay of the army would stop. This is not the case with the interest of the National Debt. A special Act of Parliament would be necessary to repudiate the obligation of the Government to pay the interest. For this reason the credit of our country stands high.

Consols are bought and sold on the Stock Exchange, whose principal door faces the Bank of England. The price of consols varies according to the ordinary law of supply and demand. If the time is one when the holders of consols are wanting money, then we say that consols are being offered freely, and the price falls perhaps as low as 71 or 72. On the other hand, when there is much money lying in the banks, and those who have accumulated that money desire to invest it, so that it may earn interest, consols and other stocks are in demand and the price of consols may rise perhaps to 85.

The highest at which consols have ever stood was 114, and they have been as low as 43. The reason for these fluctuations is this. Say that the Government borrows £100, perhaps in time of

war, and agrees to pay to the lender £2 10*s.* per annum in perpetuity. The Government has made no promise to repay the £100. Therefore, when he who originally lent to the Government sends his certificate to a broker, and asks him to sell £100 of consols on the Stock Exchange, what is sold is not the promise of the Government to pay some day or other £100, and in the meantime to pay interest, but a promise to pay in perpetuity the sum of £2 10*s.* per annum. Of course the Government may at any time when it has a surplus buy up some of its own promises at the market price for the time being. Some loans, however, both of our Government and of other Governments, are redeemable at a fixed rate, and at a fixed date.

The Bank of England is not only the Bank of the other British Bankers and of the British Government, but it is also a banker for most foreign Governments and foreign banks. A cargo of coffee is sent from Brazil to the United States —the chances are that the American Importer will pay the Brazilian Exporter by drawing on the account which he keeps with a Bank in London. The paper form used for these international payments is called a Bill of Exchange, but it does not differ very much from a cheque. One of the chief reasons why London is the most populous city in the world is that it is the banking centre of the world.

In addition to the Mint, the Stock Exchange, the Bank of England, and the head offices of the other great Banks, we find in the City of London also the head offices of the great Insurance Companies. The principle of insurance is that in return for regular small payments the Insurance Company agrees to compensate you should you meet with a misfortune of the kind against which you have insured. There are offices which insure buildings against fire. There are others which insure your valuables against burglary, or your fruit against hail. There are yet others which insure your life, and agree to pay to your dependants a certain sum in the event of your death. The Life Insurance Companies have very large revenues and immense accumulated funds which they invest in the purchase of land and of stocks and shares; hence their position in the City beside the Banks and the Stock Exchange.

One other building we may note in the City of London. It is the Royal Exchange. Here formerly most of the business of the City was transacted, but now there is a separate exchange for almost every trade, such as the Coal Exchange and the Produce Exchange. The upper floor of the Royal Exchange is occupied by the great Institution which is known as Lloyd's. British and foreign ships all over the world are insured at Lloyd's against shipwreck. After the victory over the Armada, when British shipping began to

increase, merchants used to meet at a coffee house on Tower Hill kept by one Edward Lloyd, there to discuss information received from all over the world and to transact their business. In 1774 Lloyd's was moved to the Royal Exchange, and in 1871 it was incorporated by Act of Parliament. The principal objects of the Incorporation as stated in the Act are for the carrying on of the business of marine insurance, and for the diffusion of information with respect to shipping. The members of Lloyd's are known as Underwriters, and therefore we speak of a ship or a cargo as being underwritten.

In the City of London, which measures one square mile, only some twenty thousand people sleep at night, and they are chiefly caretakers. The whole place consists of business offices. Every morning more than half a million workers come in from the suburbs, and in the evening they go out again by omnibus, railway, and tramway. All these people gain their living in the City, whether they be wealthy and responsible principals, or merely clerks. For every transfer of money that is effected, the City charges a small commission. The Bank may charge for keeping your account, but if you have usually a good balance to your credit, it will not charge you, because it is lending your money, and obtaining interest for it. The broker on the Stock Exchange charges you commission when

he buys or sells for you consols or other securities. It is probable that something like £30,000,000 a year is made in the City of London by commissions alone.

The control of the whole wealth of the country, and indeed of no small part of the world outside, is concentrated in the City of London. The wealth itself is, however, scattered over many lands in the form of standing crops, railways, houses, machinery, and so forth. When we sum up our national wealth, and say that it amounts to perhaps £20,000,000,000, we do not mean that at any moment we could sit down and look at a heap of 20,000,000,000 gold sovereigns. The truth of the matter is that money performs two functions. It is a means of exchange, but it is also a measure of value. We may look at any particular piece of our wealth, a book or a house, and we may say: "If I sold that to-day in the market I should probably get so much for it." We thus use money in thought, and in account books, to measure the value of property. When we add together the values, assessed in this way, of all the articles which go to make up a man's property, we arrive at the amount or value of his capital. If we add together the values of all the properties in the country, we obtain the colossal sum that has just been stated.

There is no particular importance to be attached to such an estimate of capital values, because it is

obvious that if we tried to sell up the whole country at once we could not do it, since there is not money enough in the country for the purpose, unless indeed we were willing to sell our property, as the phrase is, "for an old song." There have been times of great crisis, as at the outbreak of a war, when everybody was in doubt regarding the future, and people did not trust one another. In such times there are many sellers, and the values of property fall to a fraction of their normal values.

Much more interesting is the attempt to ascertain, not the amount of the total capital of the country, but the amount of its annual income. The National Income to which we are here referring is not the Revenue of the Government obtained from the taxes, but the value of the whole of the commodities and services which are available for distribution in a given year among our people.

According to the figures obtained by the Census of Production in 1907, the National Balance Sheet is probably somewhat as follows :—

Income.	£ millions.	Expenditure.	£ millions.
Manufacture ..	800	Consumption ..	1600
Agriculture and Fisheries ..	180	Repairs to and Renewals of existing capital	200
Transport and Distribution ..	500	Savings for new investment ..	320
Professional Services	400		
Income from Abroad	240		
	2120		2120

CHAPTER XVI

THE ARMY

International Relations

We have hitherto been considering the inner working of our nation, but the United Kingdom is only one of a considerable number of nations into which mankind is divided. In Europe alone there are a score of independent States. The relations between these States are regulated by International Law. As a rule there is peace in Europe, and the States into which it is divided are friendly. Minor disputes arise frequently between them, since each must champion the rights of its own subjects, but International Law is usually sufficient for the settlement of quarrels of this nature.

There is one important respect in which International Law differs from the law of England or of any one State in the world. When an Act of Parliament has been held by the Law Courts of our land to be applicable to a particular case, that Act will be enforced by the police, and if necessary by the soldiers. The law of the country is irresistible. But there is no one to act the part of policeman when the parties to a quarrel are two

independent nations. For an injured nation there is no ultimate remedy but to submit to the injury, or to make war on the nation which has inflicted it. It is true that war is now recognised as a catastrophe—in many cases even for the victor—and that nations far more often than not settle their disputes in a friendly way. On some recent occasions, when the differences seemed to be very serious, the matter was decided not by direct agreement between the two governments in regard to the issues at stake, but by an agreement to accept the arbitration of some third government. An attempt is now being made, by convention between all the civilised States of the world, to erect a permanent Court of International Law and Arbitration at The Hague in Holland.

It remains none the less unhappily true that where great matters are in question, war gives the only decision which an injured people with passions roused is willing to accept. It may happen that neither State is in a moral sense the aggressor. The growth of trade and of population may render a particular position essential to both. One or other must give way, and the advantage for all future time will lie with the victor. Occasionally, moreover, order may break down in a country, and the disorder may be so injurious to the neighbouring States, that they are obliged to interfere. At present, therefore, every great nation finds it

necessary to be equipped with defensive forces, and since it would be criminal to send untrained and undisciplined men to fight against trained and disciplined men, every nation is concerned for the efficiency of its forces.

Britain is an insular State, and it is agreed, therefore, on all hands that our first defensive force is the Navy, as the statement of the national expenditure in Chapter XIII shows. We spend more on our Navy than on our Army. It is only within the last two centuries, however, that the Navy has been a separate force. In earlier times naval battles were fought by soldiers, who were carried in ordinary merchant ships, manned by ordinary sailors. Until little more than a generation ago the navigation of a man-of-war was conducted by an officer who was known as a Master. He represented the sea captain of old times, whereas the post-captain and lieutenants represented the former military officers. The Master belonged to a separate branch of the service, and could not be promoted to be post-captain. The distinction has now been abolished, and the navigation of a man-of-war is in the hands of her captain, and of one of the lieutenants who has qualified specially in navigation.

The army of an insular State has other functions than those of the army of a continental State. The British Army has to perform four different functions. First, it must supply garrisons for

India, and for the great stations on the roads to India—the Cape, Gibraltar, Malta, Egypt, and Aden.

Secondly, the Army must maintain within these islands an expeditionary force, to be transported under the protection of the Navy to any point in the world where it may be needed to settle a dispute. In the South African War, at the beginning of this century, we sent a quarter of a million soldiers six thousand miles over the ocean, and we have frequently sent smaller forces, as for instance to Spain a century ago, and to the Crimea and to India half a century ago.

Thirdly, the Army must be prepared to deal with any invading force which might succeed in eluding the vigilance of our fleet. In the last resort, in other words, it must be prepared to repel invasion.

Fourthly, the Army must be ready to act in support of the Police where its assistance is called for by the civil magistrates. It is obvious that a despotic government might use the Army for the purpose of suppressing our liberties, and the Army was so used by Cromwell. Three precautions are therefore taken in regard to it. In the first place, the military may not act in case of civil commotion unless the Riot Act has been read by the Civil Magistrate. In the second place, the estimates for the Army are voted annually by the House of Commons, and the pay of the forces would stop

if supply were not granted to the King for this purpose. In the third place, what is known as the Army Act is passed annually giving authority for the substitution of military discipline for the ordinary law in the case of soldiers for one year only.

There has always been great jealousy on the part of the civil authorities of a large standing army within our shores. The reasons for such jealousy are of course less urgent now than they used to be. A modern army is not professional in the sense that were the armies of a couple of centuries ago. Then the ordinary rank and file were soldiers for their active lives. Now only the officers and the sergeants are in that sense professional.

But the British soldier even of our own day serves longer than the soldier of any other European nation. No other army has to perform the functions of our army. In foreign countries enormous numbers are needed to repel invasion over land frontiers. That is not so with us, although there is dispute as to the size of force that might in certain eventualities raid our shores. What determines the relatively long service of the British soldier is the necessity for garrisoning India. The conscript of foreign countries is drafted into the reserve as soon as he has been taught his business, that is to say, after two or three years. But when we have made soldiers of our recruits we must despatch some of them to India, and when we have

gone to the expense of sending troops out, we naturally expect a certain reasonable length of service abroad.

The British Army consists of the Regular and the Territorial Forces. The Regular Army is liable to be sent anywhere in the world. The Territorial Army is only bound to serve within the United Kingdom. Let us consider in the first place the Regular Army. It consists of infantry and cavalry. With the infantry is associated field artillery, and with the cavalry horse artillery. In addition there are three assistant corps, the Engineers, the Medical Corps, and the Army Service Corps. There is also Garrison Artillery, and we have just begun to form a Flying Corps.

The central resistance of an army is offered by its infantry. Our expeditionary force is organised in the following manner. There are six divisions of infantry, each consisting of three brigades, and each brigade of four battalions. A battalion at war strength consists of about a thousand men of all ranks. It is commanded by a Lieutenant-Colonel, and is divided into eight companies or four double companies. Each company is in charge of a Captain. The senior Captains are known as Majors. To assist the Captains are Lieutenants. In each company there are Non-Commissioned Officers —Sergeants and Corporals—placed over sections

of men. The Commissioned Officers, down to the rank of Lieutenant, hold the King's Commission. The Non-Commissioned Officers hold their rank from the Colonel, who is assisted in his work not only by the senior Majors, but also by two men specially told off for the purpose. The one is a Commissioned Officer, a lieutenant or captain, and is known as the Adjutant; the other is the Sergeant-Major, who is the chief of the Non-Commissioned Officers.

The brigades are commanded by Colonels, who while they actually hold their commands, bear the title of Brigadier-Generals. The divisions are usually commanded by Major-Generals. Four brigades of artillery, each consisting of three batteries of six guns, are told off to each infantry division. The divisional artillery is under the command of a Brigadier-General.

Of cavalry we have eighteen regiments, each of three squadrons. There are about 600 mounted men in a cavalry regiment. Twelve of our regiments are formed into a cavalry division of four brigades. Three cavalry regiments form a brigade under a Brigadier-General. Each brigade has attached to it one or two batteries of Horse Artillery.

The commander of the whole army is a General, or sometimes a Field Marshal, and under him are one or two Lieutenant-Generals, ready to take command of a force of two or more divisions, which may be detached for strategical purposes.

The principle of all this organisation is this. One man, however able, can only manœuvre a few units at once, just as an acrobat can only keep a few balls in the air at once, or a driver can only drive a few horses. The Lieutenant-Colonel of a battalion thinks in companies. The Brigadier thinks in battalions. The Major-General commanding a division thinks of his four brigades of infantry and his brigade of artillery. The Commander-in-Chief thinks of his six divisions of infantry and his division of cavalry. These seven units are in practice generally reduced to four or five by the detachment of forces under Lieutenant-Generals.

The normal formation of the British Expeditionary Army when landed on some foreign shore would be this. Out in front would ride the cavalry division, itself screened by scouts. Then would follow an infantry division, forming the advanced guard of the army. The main army would probably march forward along three roads, two divisions on the right-hand road and two on the left-hand road, and one division on the middle road, held back a little by way of reserve. The function of the cavalry would be to meet the cavalry of the enemy, and to drive it in, so ascertaining, with the assistance of the Flying Corps, how the main force of the enemy is disposed. Time is thus given for the infantry in rear of the advance guard

to deploy from columns of march into line of battle. While a division is on the march it extends along the road for some ten miles, and two divisions for some twenty miles. Obviously it takes nearly a whole day for the rearward troops of the second division to deploy into the fighting line. Meantime the advanced guard has probably fallen back into the middle of the line of battle which now consists of five infantry divisions, with the sixth division, a little in rear of the centre, at the disposition of the General-in-Chief for purposes of reinforcement.

The weapons of the different forces come into play in succession. First the horse artillery, then the carbines of the cavalry, then the shock of the cavalry charge with sword or lance. Similarly with the infantry. First the field guns, then the rifles, and finally the bayonets. A division of British infantry with its artillery, engineers, and supply train, contains about 20,000 men, and in rear of the army are considerable forces along the line of communication. If we allow for these and for the cavalry division, it will be seen that our expeditionary force does not number much less than 150,000 men.

There are 157 Battalions of Infantry in the British Regular Army. They are linked in pairs to form regiments, such as the Warwickshire Regiment and the Highland Light Infantry. As far as possible each regiment is recruited from the

district from which it takes its name, and the recruits are trained there at the depôt of the regiment. Of the two battalions, one is usually at home and one beyond the seas. From time to time they exchange places. The home battalions are concentrated mainly at a few stations, such as Aldershot, Salisbury Plain, Plymouth, Portsmouth, Dover, Colchester, and the Curragh in Ireland. Seventy-two battalions form, as we have seen, the Expeditionary Force, and there are a few additional battalions. There are nine battalions of Foot Guards, and of these only six are included in the Expeditionary Force.

Of the battalions stationed beyond the seas about twelve, or in other words a division, are at Gibraltar and Malta, and in Egypt. About four, or in other words a brigade, are in South Africa. The remainder, more than fifty in number, are in India. These battalions of the British Army must not be confused with the Indian Army, which consists of native regiments with white officers. But the British and Native regiments serve together in India, being brigaded together indiscriminately.

In each regiment there are at home two or three Special Reserve battalions, which used to be known as Militia. They consist of men enlisted for short training—six months in the first year, and in subsequent years one month. The function of the Special Reserve is to feed the

battalions of the Expeditionary Force with reinforcements to make good the losses during a war. The Special Reserve must not be confused with the Army Reserve, which consists of the most highly trained men that we have—men who have served seven years with the colours, and who remain in the reserve for another five years. In time of war they rejoin the colours, and replace the younger soldiers in the ranks, many of whom remain behind and are formed into third battalions together with Special Reservists. These third battalions would constitute a Second Army in preparation, when the Expeditionary Force had gone forth.

The Territorial Army consists of fourteen divisions of citizen soldiers, together with artillery and yeomanry. They are supposed to serve for a fortnight each year, in addition to their recruit drills. We have not compulsory service in our islands, and we depend for our territorial army on the voluntary enlistment of young men who are willing to devote a part of their leisure to equipping themselves to aid in the defence of their country. The duties of citizenship are not exhausted by obedience to the law and the payment of taxes. A nation would be in a bad way if a considerable number of its able-bodied members did not prepare to defend their hearths and homes.

The control of the military force of the Crown is vested under Parliament in the Secretary of

State for War. He is assisted by the Army Council, over which he presides. In addition to two subordinate ministers in Parliament, the Army Council consists of four great military officers. They are (1) the Chief of the Imperial General Staff, who is concerned with the war training of the troops, with intelligence as to what other countries are doing in military matters, and with the preparation of plans of campaign. He would take command of the Expeditionary Force if it were sent abroad. (2) The Adjutant-General, who deals with the organisation and discipline of the Army. (3) The Quartermaster-General, who is concerned with the housing and camping of the forces, and (4) the Master-General of the Ordnance, whose business is with armament and ammunition.

Independent of the Army Council, but responsible to the Secretary of State, is the Inspector-General of Home Forces. There is also an Inspector-General of the Oversea Forces, who is Commander-in-Chief of the Mediterranean Stations and Egypt. The British regiments in India and the Indian Army are under the Commander-in-Chief in India. The Indian Army proper numbers about 160,000 men. Each of its battalions has about seven white officers. The British Army in India numbers about 75,000 men.

Each of the great officers named in the last two paragraphs, and also the Generals in command of the various stations, both at home and beyond

the seas, is assisted by a staff of specially trained officers. For the training of the Staff there are two Staff Colleges, the one at Camberley near Aldershot, the other at Quetta in India. Although the Regular Army at home is but small compared with the armies of neighbouring countries on the Continent of Europe, yet we have a great service of military officers. They command not merely the Expeditionary Force at home, but also the British Army in the Colonies and in India, and the Indian Army. There are, moreover, regular officers attached to each unit of the Territorial Army at home, and many lent to the Dominions and to Colonial Governments.

NOTE.—Details of the organisation of the Army have been given in this chapter because precision of organisation is of the essence of an army. It must be borne in mind, however, that there are changes almost every year in these details. There have been two reorganisations of the British Army during the past half century extending to matters of principle, the one under Mr. Cardwell, the Secretary for War in the years following the Franco-German War, and the other under Mr. Haldane, the Secretary for War in the years following our own Boer War. Each gave effect to the lessons which had been learned in the field.

CHAPTER XVII

THE NAVY

Rule Beyond the Seas

THE power of our country does not and must not end with our shores. If we are to be free and independent, we must command the surrounding sea, and be able to deny approach to a hostile fleet. Otherwise we shall be liable to invasion at any point along the four thousand miles of our coast-line. We must be able to win a Battle of Trafalgar, or we may suffer a Battle of Hastings.

Obviously it would not be practicable to post men-of-war to defend each of our ports. Moreover it would be useless to do so, for the enemy would come with a whole fleet in the night, or in a fog, and—choosing his own point of attack—would overpower the small force that we had in the neighbourhood. You do not post a policeman in front of every door, for it would require too many police. Moreover, a single policeman in front of an isolated house would easily be overpowered by a gang of burglars. Therefore the efforts of the police are concentrated on the capture of burglars, in order that they may be removed

from Society, and that others may be deterred from taking up the burglar's calling. So with naval defence: our ships sail in fleets, and in time of war search out the enemy's fleet in order to destroy it, and thus make it impossible for the enemy to attack our shores. In other words, in time of war we try to sweep the opposing ships off the sea. When war has been in progress for a certain time, and battles have been fought, one of two conditions will have been established. Either we shall be in command of the sea, and able if we chose to land an Army on the hostile coast, or the enemy will be in command of the sea, and we shall be in danger of invasion by his Army. As the result of success in battle at sea our coast will no longer be our frontier as against our enemy. Our frontier for the purposes of the war will be removed to his coast.

Such is the main work for which our Navy must be ready. Incidentally it performs two other functions, both of them vital to our very existence in these days. We are no longer a self-contained nation. Our foreign trade is not merely for the exchange of luxuries. A considerable part of our population could not exist in these islands on the resources of our own soil. We are dependent on the import of food and raw materials, and on foreign markets for the disposal of the products of our industry. Thus our fleet must keep open the sea-ways for our food supplies. The amount of

food of all sorts in this country varies from time to time according to the season of the year, but there are periods in every year when we have not more wheat than would suffice for the consumption of a few weeks. It is true that we might make bread from other grains than wheat, and that we might in a crisis kill off our breeding stock of domestic animals, but the prices of food would soon be so high that we could not hold out for more than three or four months, were we to lose command of the ocean. Invasion would not be necessary—we should be on our knees without it.

It is true that food might be brought to us in neutral ships, but if our enemy were very powerful at sea, he might refuse to allow neutral ships to approach us, and run the risk of war with the neutral nations. We ourselves took that course a hundred years ago when we were blockading the coasts of Europe during the Napoleonic Empire, and the United States declared war on us—the war of 1812–14. No doubt ships would be found to run the risk of capture, no matter how efficient the blockade round our coasts, but no one engages in the dangerous pursuit of blockade-running except for the chance of very large profits. Therefore blockade runners would not come to our help unless prices here were high.

The second additional function which must be discharged by our fleet is that of securing the

communications between the different parts of our Empire. Britain may have to send forces to other parts of the Empire, as we sent them to South Africa. The fleet must make us quite certain that while our troops are in transit over the ocean no foreign power will be tempted to interfere, and thus to influence what may happen within our own territories. During the South African war several of the European nations were angry with us, and would have liked to have seen the Boers successful against us, but none ventured to interfere with the troopships which conveyed our soldiers to the Cape. Our men-of-war did not fire a shot, but they were known to be numerous, strong, and ready, and that fact sufficed.

In our recent wars help has been sent to us by the Self-Governing Dominions. The Canadians and Australians fought side by side with the English, Scotch, and Irish in South Africa. Indian troops have on occasion been carried over the sea to serve in other parts of the Empire. Security during the transit of such forces is therefore essential to the Dominions and India, as well as to the Mother Country.

Nor must it be thought that these considerations are important only in war time. They affect our national existence every year and every day. Let us put the matter in a practical way. When a ship sets sail from our shores on a voyage, it is

customary to insure her at Lloyds against the various risks which she runs. First, of course, stands the risk of shipwreck, but not unimportant is the risk of destruction or capture by an enemy. If our fleet were not efficient, and if we were not able to police the seas, the rates of insurance against capture would rise seriously, because war might break out while a ship was far from our shores. Thus it would cost us more at all times to carry on our foreign trade, and the price of all imported articles would rise.

The units of the Navy are the ships which compose it. There are some seven hundred of them. Just as we have infantry, cavalry, and artillery in the Army, so we have different kinds of ships in the Navy, designed for different purposes. The capital ship, the ship, that is to say, which would lie in the line of battle and stand the pounding of the enemy's guns, is the battleship. The number of our battleships varies from time to time, in proportion to the number owned by the next strongest Powers. At the present time, not counting obsolete vessels, we have about seventy battleships.* Each of them is manned by about nine hundred men, so that we may think of a battleship as equivalent in personnel to a battalion of infantry. The post-captain who commands her takes rank

* Including battle-cruisers.

with a colonel in the Army. To distinguish him, we describe him in print as Captain Smith, R.N., and not merely as Captain Smith.

A battleship is built of steel, with a powerful frame to withstand the shocks to which she is subject. She bears steel armour plates round her vital parts. She is driven at a high speed, in order that, outstripping the opposing ship, she may place herself in a favourable position for fighting. No ship, for instance, wishes to be caught end on, lest she should be raked with gun-fire. She must have great coal endurance, so that she may be able to keep the seas for a considerable time without returning to port: the ships which are in port do not count in the strength of a fleet when it goes into action. She must have powerful guns, for in these days battles are decided by gunfire. The battleship must also have great capacity for ammunition, for she must go out of action if she has fired away all her projectiles, and a single charge for a modern gun is very heavy. The result of all these considerations is that the modern man-of-war is a very large vessel, and is becoming yearly larger. An incidental advantage of great size is that the ship becomes steadier as a gun-platform. A battleship does not any longer fritter away her carrying capacity by mounting a number of guns of inferior size, whose range is such that they could not be used at the distance at which a battle would now be decided. Our

capital ships are now all-big-gun-ships. The *Dreadnought* was the first of such ships, and they are hence often spoken of as Dreadnoughts. Prior to the *Dreadnought*, battleships used to carry two or four very large guns and a number of powerful but second-class guns, in addition to small quick-firing weapons for the purpose of repelling the attack of torpedo boats. Nowadays the second-class guns are dispensed with, though the quick-firing guns are retained. A Dreadnought carries ten or twelve of the largest and most powerful guns, whose long muzzles may be seen bristling from her deck in pairs.

The personnel of a battleship is of course as important as the *matériel*. It is the man behind the gun who wins the battle. But we have no right for that reason to ask our sailors to try and do the impossible by winning battles with inferior ships. The crew of a battleship consists chiefly of seamen, marines, and stokers. In the year 1914 we have 151,000 officers and men in the Royal Navy, including 18,000 marines. The marines are drilled as soldiers. They help to fight the guns of the ship, but are also available as a landing force, for a man-of-war is often sent at short notice to intervene on an island or at a port. The stokers of our present ships are often more numerous than the seamen and marines. The courage required to stick to duty in the depths of a ship during a battle is no less than that

needed to do the fighting above, and the stokers form a part of the same service as the seamen. The officers of a big warship are the Captain, the Commander, and the Lieutenants. One of the lieutenants is usually a specialist in gunnery, and another in torpedo work.

Battleships move in squadrons. The first of our Home Fleets consists of four battle squadrons, each consisting at full strength of eight battleships. The fundamental principle of the organisation of a Fleet is the same as that of an Army. An officer in command can keep in his mind at the same time only some five or six units. The Admiral-in-Chief thinks in terms of his four or six squadrons. The Vice-Admiral thinks of the two divisions of his squadron, and of the cruiser squadron which is attached. The Rear-Admiral thinks of the four ships of his division or half squadron.

Our second and third Home Fleets each consist of two battle squadrons. These fleets differ from the first fleet in that during peace, except when manœuvres are in progress, they bear only a nucleus crew. All the more skilled "ratings," as the phrase is, are assigned to the ships, but they draw the remainder of their crews from the shore, when the order is given to mobilise. A large number of the Navy, both officers and men, are in normal times ashore undergoing courses of instruction.

In addition to battleships, the Navy consists of cruisers, and destroyers, and submarines. The cruisers are the eyes of the fleet, or they are sometimes called its whiskers, for a cat is supposed to use its whiskers to feel in the dark. They attend on the battle-fleets for the purpose of giving them information, and to prevent the unexpected approach of hostile ships. They have also the duty of policing the seas in peace time as well as in war, and on them primarily rests the duty of protecting the ships which bring us our food supplies during war.

The destroyers are so called because they were originally designed for the purpose of destroying the torpedo-boats with which certain Foreign Powers had equipped themselves. They are grouped into flotillas of about twenty destroyers, and constitute what is known as the "mosquito fleet."

Submarines and wireless telegraphy are new factors in naval warfare. Neither of them have yet been tested in active service. Aeroplanes and airships are still newer. At present no experienced naval man thinks that any of these novel fighting machines, important though they may be in certain circumstances, will replace and render obsolete the battleship. The essential facts in regard to the battleship are her gunfire and her armour. With her armour she sets at defiance all other kinds of fighting craft—on the open seas

at any rate where torpedo work is difficult. With her gunfire she seeks to fight down the battleships of the enemy. Therefore it is that though we must never forget the importance of the other units which go to make the modern fleet, yet we compare the relative strength of the fleets of the different nations by counting up their battleships, or rather such of them as have not grown obsolete owing to recent advances in naval shipbuilding.

A man-of-war differs from a military force in one very important respect. So long as her supplies last she can go where she likes and need think of no line of communications, especially in these days of wireless telegraphy. An army, on the other hand, has been compared to the biting head of a snake which is held by the tail. Except on the rarest occasions, and for very short times, an army must maintain its communications with its base, for it cannot under ordinary circumstances carry with it sufficient supplies. None the less it is obvious that, whatever her endurance in the matter of coal and ammunition—and we now have men-of-war which could steam round the world without re-coaling—sooner or later a ship must return to port. Therefore our dockyards and coaling stations constitute an essential part of our naval strength.

At home we have three principal dockyards—Portsmouth, Devonport, and Chatham-Sheerness.

We are constructing another at Rosyth on the Firth of Forth. There are minor dockyards at Milford Haven and at Cork Harbour. Ship-building is carried on at most of these yards, as well as the refitting of ships, which is the principal function of our Government dockyards. A majority of our men-of-war are, however, built in the great private yards of the Clyde, the Tyne, and the Mersey, and at Barrow-in-Furness. The principal anchorages of our squadrons in the Home waters are in Plymouth Sound, Portland Harbour, Spithead, Dover Harbour, the Firth of Forth, Cromarty Firth, Scapa Flow in the Orkney Islands, Lamlash in the Firth of Clyde, Lough Swilley in the north of Ireland, and Berehaven in Bantry Bay in the south of Ireland. Harwich is a station for destroyer craft. We draw smokeless coal for fuel from Cardiff, but some men-of-war have been built to burn oil as fuel, and for our supplies of this we have mainly to look across the seas. In Scotland there is oil in the shales of Lothian. Within the British Empire there are great deposits of oil in Burma and elsewhere, though the principal supplies of commerce come at present from the United States and from Russia.

Britain has a great advantage at sea in the scattered nature of her Empire. No doubt this scattering of our territories is a source of weakness from some points of view, but it is also a source of very great strength, for we have coaling and

refitting stations in every sea. In Europe we have the great fortified dockyards of Gibraltar and Malta. We have a garrison in Egypt, and can make use of the coaling stations at Alexandria, Port Said, and Suez. At the entries of the Indian Ocean we have Aden, Cape Town and Simonstown, and Singapore. Within the Indian Ocean we have Mauritius, Colombo, and Bombay. In the Australian Seas we have Albany and Thursday Island, at the south-western and north-eastern points of Australia, and we have the dockyard of Sydney, as well as several commercial ports in Australia and New Zealand. In the China Seas is the fortified dockyard of Hong Kong, and the station of Wei-Hai-Wei. In the Eastern Pacific we have Esquimault in Vancouver Island. In the South Atlantic are the Falkland Islands and St. Helena, and round the North Atlantic are Sierra Leone, and the dockyards of Halifax, in Nova Scotia, and Bermuda. In the West Indies, in the neighbourhood of the new Panama Canal, are Kingston in Jamaica, and several harbours in the other Colonies.

While the fleet bases itself on these many stations, it must also bear the burden of defending them. A few of our dockyards across the seas are fortified and garrisoned so as to withstand sudden attack, but in the end they would have to surrender unless succour were brought to them by our ships of war. Therefore we maintain squadrons in the

distant seas, chiefly in the Mediterranean and China Seas.

All the ships east of Suez and the Cape constitute the Eastern Fleet, which is divided into the Indian, Australian, and China Squadrons, whose meeting-place is usually at Singapore. But we no longer maintain either so many or so powerful ships outside the European waters as we used to do. The change in this respect is due to three causes. In the first place a squadron can now steam with great rapidity from the Home Seas to any point soever on the Ocean. In the second place the self-governing Dominions are beginning to equip their own ships as a part of the defences of the Empire. In the third place certain of the European Powers have increased their naval strength, and it is a principle of fleet management that our ships shall be placed in peace time in the neighbourhood of the warships of rival nations.

The Navy is managed by the Lords of the Admiralty. In former times we had a Lord High Admiral, but his office is now placed in commission. In other words, the King now issues his commission not to one man but to a group of high functionaries, charging them together with the performance of the duties attaching to the office of Lord High Admiral. The First Lord of the Admiralty is always a civilian sitting in Parliament. He corresponds to the Secretary of State for War in regard

to the Army. He presides at meetings of the Board. The other members of the Board, in addition to two minor ministers, are four Naval Lords of the Admiralty, who correspond to the Military Members of the Army Council. They are usually Admirals, although the Fourth Sea Lord is sometimes only a Captain. The First Sea Lord, who corresponds to the Chief of the Imperial General Staff in the Army, is the professional head of the Navy. He is charged with the heavy responsibility of advising the First Lord in regard to the disposition of our Fleet both in peace and war.

NOTE.—While the general principles which govern the organisation of the Navy remain unchanged to a surprising extent from generation to generation, the details change even more rapidly than in the case of the Army, owing to the application of science to the construction of ships and guns.

CHAPTER XVIII

DOWNING STREET

The Helm of State

THE State has often been compared to a ship navigating the ocean. Political weather is as changeable as the weather at sea, and the officers of the Ship of State must keep as good watch and be as alert in decision as the officers of a man-of-war. Especially is the comparison apt in the case of an island State such as Britain. Our land is our deck, the cliffs are our bulwarks, and the mines our engines. The captain is our Prime Minister, and his bridge at Westminster, where he keeps watch, is known as Downing Street.

Downing Street leads out of Whitehall. It is not a thoroughfare for wheeled traffic, for it is closed at one end, except for a postern way allowing of exit on foot. Three old brick houses are all that are left of the houses which once lined it. The rest have been replaced by great stone blocks of Government offices. These houses are numbered 10, 11, and 12, and behind them are old-fashioned gardens, shut in by high brick walls. The Prime Minister lives at Number 10, the

Chancellor of the Exchequer at Number 11, and the Chief Government Whip has his office at Number 12.

The office of the Treasury adjoins Number 10, and the three Ministers just named belong to the Treasury. The Prime Minister is generally the First Lord of the Treasury, the Chancellor of the Exchequer is the working political head of the Treasury, and the Chief Government Whip is the Patronage Secretary of the Treasury. The remaining Government Whips are Junior Lords of the Treasury. The permanent Secretary of the Treasury is the head of all the Civil Service. The Government Bench in the House of Commons is often spoken of as the Treasury Bench. The Chancellor of the Exchequer and the Permanent Secretary of the Treasury are in communication with the Bank of England and the City. A great loan could be arranged in a very few hours. Thus the first characteristic of Downing Street is that we have there the control over the national purse.

The Prime Minister lives in Downing Street in order that, day and night, should sudden emergency arise, he may be on the spot. The organisation of our government is such that all the information of all the Government Departments is at his ready disposal, and he has control of all their powers committed to them by the law. It is for him to combine their services to the common end.

The Chief Whip is at the head of the Party Organisation of the majority in the House of Commons. It is his duty to know the state of opinion, both in the House and in the country. As Patronage Secretary he can arrange rewards of honour for those who may be called upon to make sacrifices in the common interest. Through the Press and otherwise he can disseminate information with a view to preventing misapprehensions.

The First Lord of the Admiralty and the Secretary for War are close at hand in their offices in Whitehall. They have the great professional chiefs of the Navy and Army to advise them—the Admiral who is known as First Sea Lord, and the General who is chief of the Imperial General Staff. Since the Admiralty may at any time have to act instantly, official houses are provided within the Admiralty Building both for the First Lord and for the First Sea Lord, and there is wireless telegraphy over the roof.

The office of the Home Secretary is also close at hand in Whitehall. It is his duty to maintain order within the country, and especially within the Metropolis, around the seat of government. The Metropolitan Police have their headquarters in the buildings known as Scotland Yard, just across the street from the Home Office. The A Division of the Metropolitan Police, consisting of men promoted from the other divisions, is specially told off to guard the Royal Palaces, including the

Houses of Parliament and the Government Offices. Unlike the other police forces of the country, which are controlled by the local magistrates jointly with the County Councils and Municipal Councils, the Metropolitan Police are under the immediate orders of the Home Secretary. Close at hand, in case of any riotous attempt to interfere with the national government, are the battalions of the Guards in Wellington and Chelsea Barracks, and the regiment of the Household Cavalry in Knightsbridge Barracks. Thus calm is assured at the centre of government, even in times of excitement, such as might occur in some crisis of war.

The Prime Minister has further to assist him the Attorney-General and the Solicitor-General, who advise him as to his powers under the law, for the Prime Minister himself must respect the law even in time of crisis. By means of an injunction obtained in the Law Courts the Government may prevent some things which they have not the power to prevent of their own initiative, and in case of necessity the Attorney-General can obtain such an injunction in a few hours.

The Houses of Parliament are also within three or four hundred yards of Downing Street, and the Speaker of the House of Commons has an official residence in Westminster Palace. If the Government have not by law the powers needed in a national crisis, Parliament can pass a Bill

through all its stages of both Houses in a single day, and the King is at hand in Buckingham Palace, only a few hundred yards from Downing Street in the opposite direction, for the purpose of giving his assent to the Bill and making it an Act of Parliament.

In Downing Street itself are the Colonial, the India, and the Foreign Offices. In each of these offices a responsible clerk sleeps on the premises, so that telegrams may be opened at any hour of the night, and the Minister who is at the head of the office may be sent for if necessary. The Secretary of State for India is assisted by a Council of experienced Anglo-Indians, men who have returned home after ruling over great Provinces, each of them as large as a European kingdom. There is no fear therefore that the meaning of a telegram from the Viceroy of India will not be understood.

Finally, in the Foreign Office, immediately facing Number 10, Downing Street, is the Foreign Secretary, the close and intimate colleague of the Prime Minister. The Foreign Secretary and his permanent Staff have two sources of information as to what is going on in the world, and two means of expressing themselves to the Governments of foreign countries. On the one hand is the Diplomatic Service of this country, consisting of Ambassadors and Ministers all over the world, accredited to the heads of Foreign Governments.

On the other hand are the Embassies and Legations maintained by Foreign Governments in London.

When an Ambassador or Minister arrives in the foreign capital where he is to reside, he pays an official visit to the Head of the State—the Emperor, King, or President as the case may be—and presents his letter of accredit from his own government. At the same time the retiring ambassador or minister presents his letter of withdrawal. An Ambassador is an envoy of higher rank than a Minister Plenipotentiary. His Staff is known as an Embassy, whereas the Staff of a Minister is called a Legation. Our Government maintains embassies in Paris, Berlin, St. Petersburg, Vienna, Rome, Constantinople, Madrid, Washington, and Tokyo. In the other capitals of the world it has Legations. All these foreign agencies maintain communication with the Foreign Secretary in Downing Street by means of telegraphic messages in cypher, and at greater length by means of written despatches. Very important and confidential despatches are not entrusted to the ordinary mail service, but are conveyed by King's Messengers.

While a dispute or delicate negotiation is in progress between two Governments, it is generally desired in the interest of peace to maintain secrecy, lest passions should be roused, or intrigues be set on foot. But when the crisis is over, the Foreign Secretary is often asked

by a question in Parliament if he will not publish the despatches, and if he thinks the public interest will not suffer, and moreover that the foreign country concerned will not object, he undertakes to "lay papers," which are then printed and issued as a blue-book. It is fair to say that the activity of the newspapers is now such that in the opinion of some people secret diplomacy should be abandoned. But we are probably a long way from open negotiation between States, for there can be no doubt that whatever may be desired by some people in this country, many Foreign Governments would hesitate to negotiate with our Government if we could not be trusted to keep confidences.

For patriotic reasons and because of their responsibility, the Leaders of the Opposition in the House of Commons often refrain from putting questions of an awkward character to the Government of the day in regard to Foreign Affairs. It is true that a Minister is not bound to answer a question if he thinks that publicity on the point at issue is not for the national good, but there are many circumstances in which inferences would be drawn from his mere refusal to answer, and the desirable course is that the question should not be asked. It is a proud fact that responsible Englishmen almost invariably put their duty to their country before Party, however strongly they may resent the action of the Party opposed to them.

The Foreign Ambassadors and Ministers resident in London, call from time to time at our Foreign Office in Downing Street and see our Minister. Negotiations may therefore take place in London and not in a foreign capital. The despatches and telegrams in that case are sent by the servants of Foreign Governments. It is usual, however, for our Foreign Office in such a case to keep our own envoys in foreign countries informed by despatch of what is taking place. The tongue used by diplomats when dealing with the representatives of other countries is usually French, but the American and also the Chinese and Japanese Envoys converse with our Ministers in English.

Occasionally, when some important question affecting more than two Powers is at stake, a Conference of Ambassadors is held in one of the capitals for discussion round a table. If the matter be one of world importance, as for instance the resettlement of the map of a large part of Europe after a great war, then the Conference is known as a Congress, and special Envoys are sent to it, who are often the Foreign Ministers themselves, and at times even the Prime Ministers. Such Congresses assembled in Vienna in 1814, in Paris in 1856, and in Berlin in 1878, on each occasion at the conclusion of a great war.

Finally there are two informal methods of communication between nations which should not be forgotten. The one is very modern.

The newspapers of all countries discuss foreign affairs, and what is written by the chief newspapers of one country is often translated and published in the other capitals of the world. There are advantages and disadvantages in this method of communication. There can be no doubt that the peoples thus come to understand one another better, and have more sympathy for their various points of view. On the other hand, a great responsibility lies on the editors of newspapers. For the purpose of selling their papers they are tempted to magnify disputes and to add heat to controversy. Moreover, Ministers for Foreign Affairs in some countries seek to influence the newspapers both of their own and other countries. Sometimes they go beyond this, and seek to manufacture opinion, and at times to divide opinion, as in the case of the famous telegram altered by Prince Bismarck, which was the immediate cause of the Franco-German war in 1870.

A far older channel of communication between Governments is through their crowned heads. The Sovereigns of Europe and their families are a royal caste, for royalty may marry only with royalty. The result is that the royal families have intermarried so frequently that they form in fact a single great family. The only considerable rifts among them are due to religious differences. The Sovereign of this country, for instance,

may not marry a Roman Catholic, and the King of Spain may not marry a Protestant.

The Prime Minister keeps the King informed of everything important that happens. The King is a constitutional monarch and cannot act officially except on the advice of his Ministers, but he is entitled to know everything. Owing to the family ties just referred to, he is often confidentially in possession of foreign information of the greatest service to his Government. It must not be forgotten that there are still despotic sovereigns in the world, and it is one of the advantages which a constitutional monarchy has over a republic that through our Monarch we may often communicate with a foreign ruler, and perhaps moderate misunderstandings and hostile feelings, whereas the temporary president of a republic cannot establish the necessary degree of intimacy. The King may not see much of foreign potentates once he has come to the throne, but he was brought up as a Prince, and probably as an Heir-Apparent in the Courts of Europe. As a British Sovereign grows old he generally gains influence over his Ministers, and therefore over his People. Being informed of everything that happens he has advice to offer based on long experience, confidential relations, and a position independent of Party.

CHAPTER XIX

THE THRONE

"*In the Name of the King*"

THE Government of Britain, and of the whole British Empire is conducted in the name of the King. In a great and civilised State such as modern Britain, the advantage undoubtedly lies, on a balance of considerations, with constitutional rather than absolute monarchy. Slow though it may sometimes be in action, when brought up against a Foreign State with a more personal rule, the Constitutional Monarchy is the more stable. The Monarch is the ceremonial head of the nation, but he is in large measure sheltered from the personal dangers which always threaten naked power. He has not been promoted to the summit either because of abilities which rouse jealousy, or by corrupt methods which call for protest. He is there, as it were, in the order of nature. His Ministers are responsible for his acts as King, and if those acts should stir the spirit of vengeance the retribution will fall on them and their agents.

At the most we have to protect our King against an occasional madman.

In the Middle Ages, however, the King ruled personally. He conducted the affairs of his kingdom almost as a great nobleman administers his estate. In the plays of Shakespeare kings speak to and of one another as "England," "France," and "Denmark," exactly as noblemen to this day refer to one another in conversation as "Derby," "Salisbury," and "Lincolnshire." In the Middle Ages we were very fortunate in having a series of great monarchs and rarely a weak one. They were not always good, but they were strong and far-seeing statesmen. William I., Henry I., Henry II., Edward I., Edward III., Henry V., Edward IV., Henry VII., Henry VIII., and Queen Elizabeth were really mighty sovereigns. They gave peace to England when the rest of Europe was too often a prey to disorder. They may have persecuted individuals and even classes, but the nation as a whole prospered wonderfully under them.

The modern British Constitution, as well of the Empire as of the Mother Country, has been evolved from the English Monarchy of the Middle Ages. Six master ideas have emerged in the process, each with its cluster of attendant ideas. The six keys to our constitution are:

1. The Supremacy of the Common Law.
2. Government by Responsible Cabinets.
3. Imperial Trusteeship.
4. Local Autonomy in the Dominions.
5. Trust in Popular Electorates.
6. Imperial Unity.

1. The Supremacy of the Common Law

Under primitive conditions a tribe submits to a chief with a view to united action in war. Gradually the chief is entrusted not merely with the lead against the enemy, but also with the maintenance of discipline among his followers. The latter function passes easily into that of judging in time of peace. Thus the King emerges, in whose person are combined the functions of both General and Judge. Should he have sons or brothers of suitable age they naturally become his deputies, and one of them is usually selected to succeed him when he dies. Thus arises the idea of a Royal Family. The King is elected from among that family, though not at first according to the strict rule of primogeniture, since infants and idiots are obviously incapable of personal rule.

This was the stage to which the Kingship of England had attained during the earlier Middle Ages. The most striking deviation from our modern law of succession was the election of King Harold, the son of Earl Godwin. He was the brother-in-law of Edward the Confessor, and

within the Royal Family only by marriage connection.

In rough times decision is the essential thing both in war and peace. The justice of the decision is of secondary importance. Thus the *ipse dixit* of the King came to have an almost sacred significance. None the less a certain consistency in his judgments would be looked for, at any rate as between one and another of his subjects. The conception of just judgment as between the King himself and a subject would naturally arise only at a later stage. Consistent judgments became the more desirable as the function of judging was deputed with the growth of the tribe to be a people. Thus there arose an unwritten code of custom, and this code limited despotism. The established custom, which descends from generation to generation, became in certain respects stronger than the will of the King.

The leader of an expedition in Tropical Africa may lead where he likes and command as he pleases, provided that he does not transgress the *dasturi* or custom universally observed in Arabic and Suahili caravans. He must not ask the *askari* or soldier to do the work of a porter; nor must he punish a head-man as he would an *askari*. Should he transgress *dasturi* frequently, his caravan will become mutinous.

The early English Monarchy was limited by a body of custom which we know as the Common

Law. Though the King ruled personally, yet with greater or less effect the Common Law was above him. The Common Law was unwritten, save in so far as parts of it were at times reduced to writing in Charters and Statutes. The function of the Judges was to apply it to the cases which came before them. Their judgments were, and still are, limited to particular circumstances. No matter how novel the issue, the Common Law assumes that there are principles applicable which may be deduced from decisions in previous and analogous cases. Thus the Common Law has grown and still grows flexibly. It is intensely practical, and lacking in theoretical generality and completeness. In other words it is thoroughly British in its nature. It may indeed be a question whether the Common Law has made the British character or *vice versa*.

The Law of our Constitution, and the very rules which govern much of the procedure of Parliament, partake of the unwritten and customary character of the Common Law. In older times when Parliament remonstrated with the King it sought not to replace his initiative, but merely to obtain his adherence to established custom in its exercise. It is obvious, however, that with the changing ages, old customs must needs take new meanings. Thus "freedom slowly broadens down from precedent to precedent." When Parliament denied to the Crown the right of taxing without its

consent, or claimed that grievances must precede supply, it merely reiterated customary principles. Magna Carta makes no claim to new rights for the subject; it is merely declaratory of old rights. The great achievement of more than twelve hundred years of English history, from the landing of Hengest and Horsa to the fall of the Stuarts, was the vindication of the law as above the ruler.

Respect for precedent and decided cases, as the strongest and most subtle defence of freedom, is characteristic of the entire British race, as well in the United States as within the Empire. More decisively, perhaps, than anything else, it marks off British modes of government from those which owe their ultimate spring to the more scientific and systematic conceptions of Roman Law.

2. Government by Responsible Cabinets

In a single generation, between 1688 and 1721, the modern Constitutional Monarchy was substituted for the Personal Monarchy. In its form the quarrel between Parliament and James II. was but one more attempt to compel the King to rule according to the law. But in its effect this quarrel differed fundamentally from all the many which preceded it. Therefore we speak of it as the Great Revolution. The effort merely to curb the power of the King as personal ruler

was abandoned, and the initiative in administration and policy was removed to his ministers.

Already in the reign of Charles II. the two great parties, Whigs and Tories, had come into being. They differed mainly in regard to the extent of power which they thought should be left in the King's hands. The Tories thought that the King should have a large share in the Government, though not so large a share as the Tudors had exercised. The Whigs thought that Parliament should be further strengthened at the expense of the King.

James II. had learned nothing by the events of the Commonwealth, and tried to re-establish the absolute rule of the King. He claimed power, without the assent of Parliament, to dispense with any laws that conflicted with his wishes. The country was speedily roused in opposition to him, and the opposition came to a head when in 1688 he issued a Declaration of Indulgence for Nonconformists and Roman Catholics in defiance of the law, and arrested seven bishops who refused to read it in their churches.

Still the nation was loath to enter upon another civil war, for it had hopes that when James died he would be succeeded by his daughter Mary, wife of William, Prince of Orange, a Protestant. In June, 1688, however, a son was born to James, who would no doubt inherit his father's views. The leaders of the people saw that they must take

immediate action, and a letter was sent inviting the Prince of Orange to come to England as champion of the popular liberties. The letter was signed both by Whigs and Moderate Tories, only the extreme Tories still supporting James.

William of Orange landed at Torbay on November 5th, 1688. The country received him gladly, and the troops under Lord Churchill, afterwards Duke of Marlborough, deserted to him from King James. William reached London almost without firing a shot, and James fled to France. The Personal Monarchy was at an end.

William and Mary became King and Queen by Act of Parliament. The throne was no longer to be held by "Divine Right." The two Houses offered the Crown to William and Mary on their assenting to the Declaration of Rights, which was afterwards embodied in a Bill of Rights and passed by both Houses. By the Bill of Rights William and Mary were declared Joint Sovereigns. The powers which the Stuarts had claimed of dispensing with and suspending the laws were pronounced illegal. Taxes were only to be levied with the consent of Parliament, and not by the King solely on his prerogative. The King was not to interfere with the election of Members of Parliament, and speeches and debates in the House of Commons were not to be made the subject of actions in the Courts of Law. Thus

the King was established on his throne by Parliament, and Parliament made itself independent of him.

But the great change was not yet complete. The King still possessed the Executive Power. Our modern system of Cabinet Government was evolved gradually in the course of the generation which followed the Revolution. Between the years 1693 and 1698 William chose his Ministry almost exclusively from one Party, the Whigs. It was natural that he should rely on the Whigs rather than on the Tories, for the Whigs had given him his throne. They spoke of the Revolution of 1688 as "Glorious." The Tories, on the other hand, were only lukewarm in his support, though with the exception of the more extreme of them, the Jacobites, they did not oppose his accession.

There was as yet no definite constitutional idea of a Ministry dependent on the majority in the House of Commons. Towards the end of William's reign that majority became Tory, and the King saw the wisdom of appointing Ministers who would be acceptable to Parliament. The Tories continued in power under Queen Anne, for the Queen favoured them. She was a Stuart by blood, and as a staunch member of the Church of England disliked the Dissenters who belonged to the Whig party. After a few years, however, the Whigs again obtained a majority in the Lower House,

and the Queen appointed some of their party to be ministers. Once more for a short time there was a ministry of both parties. But the Whigs insisted that the Tory ministers should be dismissed, and in the end they had their way.

Thus the Whig Ministry of 1708 resembled the earlier Ministry of William III., but it marked a further advance towards strict party government, for it was Whig without exception, whereas William's Ministry included two Tories. King William had appointed Tory Ministers in 1701 because he found it convenient to be in harmony with his Commons, but the Commons forced the Whigs on Queen Anne. This is the first assertion of the principle that the House of Commons shall control the appointment of Ministers.

So Cabinet Government, as we understand it to-day, came into being. A small inner group of the Privy Council, all of the same Party, supported by a majority in the elected House, divide among them the chief offices of State, and give the smaller posts to their own followers in one or other House. To this day the Cabinet remains an informal Committee of the Privy Council, and is unknown to the law. It meets usually in the Prime Minister's house, and no record of its proceedings is kept. When formal business has to be conducted by the King in Council, as for instance on the day after his accession, the whole

Privy Council and not merely the Cabinet is summoned to the Palace.

The Tory Ministry of 1701 passed the Act of Settlement to regulate the succession to the Crown. In the event of the death of William, and also of his sister-in-law Anne without children, the crown was to pass to "the Electress Sophia of Hanover and her children, being Protestants." Sophia was the daughter of Elizabeth, Queen of Bohemia, who was the daughter of James I. Sophia was the next Protestant heir to the throne, because all the living descendants of James I. through Charles I., with the exception of Anne, were Roman Catholics. The Act of Settlement further provided that the future ruler from Hanover must join the Church of England. Another very important provision was that henceforth no Judge should be dismissed by the King except on the Address of both Houses of Parliament.

Queen Anne died in 1714, and in accordance with the Act of Settlement, George, Elector of Hanover, became King. His mother, the Electress Sophia, died just before Queen Anne. So was established the Hanoverian line of our sovereigns. George I. reigned for thirteen years, and was succeeded by his son George II., who reigned until 1760. Frederick, Prince of Wales, the eldest son of George II., died before his father, who was therefore succeeded by his grandson George III.,

and he reigned for sixty years. Two of his sons, George IV. and William IV., occupied the throne in turn, but left no children to succeed them. William died in 1837, and was followed by his niece, Victoria, the daughter of his brother, the Duke of Kent. Victoria was Queen for sixty-three years. Her son Edward VII. reigned for nine years, and his son, our present King George V., began his reign in 1910. The Act of Settlement has thus operated ever since it was passed by Parliament in 1701 and has needed no amendment.

The Act of Settlement rendered inevitable the Act of Union with Scotland, which was passed in 1707. Notwithstanding the union of the two Crowns by the accession of James VI. and I. in 1603, there had as yet been no union of the Parliaments, and the Act of Settlement did not apply, when it was passed, to Scotland. It was by no means certain that the Scots Parliament would adopt the same law of succession. Therefore by the Act of Union of 1707 the Parliaments were united. Forty-five members of the joint House of Commons of Great Britain were to be elected by Scottish constituencies, and at each General Election the Scottish Peers were to choose sixteen of their number to sit in the House of Lords. It was provided that the Scottish legal and judicial system and the Presbyterian Church should be preserved distinct from the English.

George I. was a German, and to the end of his reign could not speak English. He usually conversed with his Ministers in Latin. It had been the custom hitherto for the Sovereign to preside at the meetings of the Ministers, but King George abandoned the practice, since he could not understand what was said. A new precedent was thus set, and no Hanoverian Sovereign has ever been present at a Cabinet Council. The result was greatly to increase the power of the Prime Minister, who took the King's place in the deliberations of the Government.

Sir Robert Walpole, who held office from 1721 to 1742, was the first Prime Minister in the modern sense. It is probable that the term was in the first instance flung at him as a taunt by the Tories, for in theory his colleagues in the ministry were his equals. From the time of Walpole we have been ruled by a Cabinet sitting apart from the King, though consisting of his Ministers. That Cabinet is responsible to Parliament, and to maintain its position must have the support of a majority of the House of Commons. It is true that for nearly a century after Walpole Parliament did not fairly represent the people, but that is another matter. The great Whig nobles who returned or secured the return of a majority of the House of Commons had substituted themselves for the King as the ultimate power in the land. By their support of the principle of toleration they secured the alliance

of the other wealthy class in the country, the City merchants.

Thus originated, under the stress of circumstances and almost by chance, the system which is known as Responsible Government. Every act of government is done *in the name of the King*, but the real power resides in the Prime Minister and his Cabinet, who are responsible to Parliament. Many foreign countries have Parliaments, modelled after the British Parliament, but they have not all Responsible Government, as we understand it. In the United States and in Germany, for instance, the Ministers are appointed by the President or Emperor, and to him alone they are responsible. The American and German Parliaments legislate and grant supplies, but they do not otherwise control the administration of the country, nor do they make and unmake Ministers. The President of the United States and the German Emperor are their own Prime Ministers, though they have each of them a right-hand man, who is known as the Secretary of State at Washington, and as the Imperial Chancellor at Berlin.

3. Imperial Trusteeship

The British Cabinet is responsible to the Parliament at Westminster not merely for the welfare of our own people, but also for that of great dependent peoples who are not represented at

Westminster. Like the Senate of Republican Rome our Parliament has two functions. It is an organ of self-government, but it is also charged with the ultimate control of great administrations outside the sovereign community. To-day it is our proud ideal to exercise that control in the spirit of a trustee, for the benefit of the subordinate peoples and of the Empire at large, and not merely for our own benefit. This, however, was not always so. Our dominion in alien lands began as a commercial venture, and for several generations was conducted primarily for a commercial profit. The process by which this great change has been brought about is of deep interest.

The English East India Company was a body of London merchants who were first incorporated by Royal Charter towards the close of Queen Elizabeth's reign. In those days trades and industries were very generally entrusted to the control of Companies, which were not organised, however, on the Dutch system with a joint-stock. They were such as the City Companies of London, which have endured to this day as wealthy corporations with charitable objects. Each Company was given a monopoly of some trade, and no one might follow that trade within the area assigned unless he were a member of the Company. The idea was that the trade should thus govern itself, and establish rules for the maintenance of honesty and good workmanship. The same idea

is contained in the professional etiquette of the medical and legal professions to-day. A barrister may be disbarred by his Inn for unprofessional conduct, and a doctor may lose his licence to practise if the General Medical Council find him guilty of "infamous" conduct. In this sense the East India Company of Queen Elizabeth was given a monopoly of the East Indian trade. Whoever would venture into those seas must belong to the Company, but he ventured on his own capital.

The Company early established depots or factories at Surat on the Gulf of Cambay, and at Fort St. George, where is now Madras. In 1668 Charles II. gave to them Bombay, the dowry of his Portuguese Queen. In the reign of William III. a settlement was made on the river Hugli, where Fort William was built. At this time the Bank of England came into existence, and other companies of the new Dutch type with a joint-stock were inaugurated, among them a new company to trade into the East. In 1708, however, the two East India Companies, old and new, were amalgamated, and the members became very wealthy. The East India Company and the great Whig landowners were the greatest powers in our land.

In the eighteenth century there were great wars between France and England. War in Europe involved of course a state of war between the merchants and sea captains of the two nations

in all parts of the world. Those were the days before steam and electricity, when the voyage from Britain to the East Indies consumed the better part of a year. The trade of the East was at that time conducted by three great Companies—Dutch, French, and English. The Mussulman Empire at Dehli, which from the days of Queen Elizabeth to those of Queen Anne had maintained rule in India, was breaking up. There was scope for intrigue in the disorder, and rich profits for the shareholders in Amsterdam, Paris, and London. Gradually the forces of two of the Companies, French and English, were organised as though they had been independent States, with armies, fleets, and diplomats. There were periods of peace in Europe between the wars, but these did not really put an end to hostilities in the East. The Home Governments had delegated their powers to the East India Companies, and had no effective means of controlling them. Nor indeed could the Companies themselves keep a very close hand on their distant agents.

In the middle of the eighteenth century, two great Englishmen, Clive and Warren Hastings, defeated the French in India and their native allies, and converted what had been a group of trading stations into a widespread Empire with Provinces as great as European Kingdoms. Clive left India in 1767, and the government of the Company, shaped originally merely for commercial

ends, fell into confusion. Hyder Ali, whose capital was at Seringapatam on the plateau of Mysore, raided the Carnatic and took Madras. In Bengal there was a famine, and disorder ensued which the Company could not quell. It seemed as though Clive's work would be undone, but a man was found who could ride the storm. In 1772 Warren Hastings was sent to India as Governor-General of Bengal, with supervision also over the Presidencies of Madras and Bombay. Hastings had great foresight and ability, and though he had to struggle against many enemies both at home and in India he succeeded in his mission. Order was re-established in Bengal, and an alliance was made with the Nawab of Oude, in order that his state might constitute a barrier between Bengal and the hostile Mahrattas of Central India.

On his return home Warren Hastings was impeached for alleged acts of cruelty and oppression in India. The trial took place in Westminster Hall, and lasted for over six years, but in the end he was acquitted, and posterity has endorsed the verdict. Warren Hastings may have done some things which were not justifiable, but he found misrule and anarchy in India, and he left it having firmly relaid the foundations of order.

In 1784 the Government of India was reorganised by the great India Act. The Company was left in possession, but a Board of Control,

consisting of six members of the Privy Council, was set up in England with ultimate authority over the Indian administration, both military and civil. The Governor-General at Calcutta was given increased power over the Governors of the other Presidencies.

The Board of Control was the first effective interference with the exploitation of India for mercantile gain. From that time forth the administrative activities of the Company were separated from its commercial interests, but both were still managed from the Office of the Company in the City of London. The mercantile monopoly in the East was not abolished until 1833, and the Company did not disappear as a Government until after the Great Mutiny in 1857. To this day, however, no Indian Estimates are laid before Parliament, and no supply is voted to the King in respect of his Indian Empire. Once a year the Indian accounts for the past year—not the estimates for the coming year—are laid before the House of Commons and a general discussion takes place. The Secretary of State for India is a member of the British Cabinet, but his salary comes from the Indian revenues, and is not voted by Parliament. He controls the Indian Government with the advice of a Council nominated by himself. His sanction is required to every law made by the Indian legislature, and if he disapproves of any law he advises the King-Emperor

to annul it. But ultimately his acts are those of the British Cabinet, which is responsible to Parliament at Westminster.

In the Proclamation of Queen Victoria to the Princes, Chiefs, and People of India, which was published by the Governor-General at Allahabad on November 1st, 1858, there occur passages which are worthy of quotation.

"Whereas, for divers weighty reasons, We have resolved, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in Parliament assembled, to take upon Ourselves the Government of the Territories in India, heretofore administered in trust for Us by the Honourable East India Company: Now, therefore, We do by these Presents notify and declare that, by the advice and consent aforesaid, We have taken upon Ourselves the said Government.

* * * * *

"We desire no extension of Our present territorial Possessions; and while We will permit no aggression upon Our Dominions or Our Rights, to be attempted with impunity, We shall sanction no encroachment on those of others. We shall respect the Rights, Dignity, and Honour of Native Princes as Our own.

* * * * *

"Firmly relying Ourselves on the truth of Christianity, and acknowledging with gratitude the solace of Religion, We disclaim alike the Right

and the Desire to impose Our Convictions on any of Our Subjects. We declare it to be Our Royal Will and Pleasure that none be in any wise favoured, none molested or disquieted by reason of their Religious Faith or Observances; but that all shall alike enjoy the equal and impartial protection of the Law: and We do strictly charge and enjoin all those who may be in authority under Us that they abstain from all interference with the Religious Belief or Worship of any of Our Subjects, on pain of Our highest Displeasure.

"And it is Our further Will that, so far as may be, Our Subjects, of whatever Race, or Creed, be freely and impartially admitted to Offices in Our Service, the Duties of which they may be qualified, by their education, ability, and integrity, duly to discharge.

"We know, and respect, the feeling of attachment with which the Natives of India regard the Lands inherited by them from their Ancestors; and We desire to protect them in all rights connected therewith, subject to the equitable demands of the State; and We will that generally, in framing and administering the Law, due regard be paid to the ancient Rights, Usuages and Customs of India."

The change which was made in 1858 was completed in 1877, when at a durbar of the Indian Princes at Delhi Queen Victoria was proclaimed Empress of India.

It must never be forgotten that India was not conquered by a great army of British blood, nor is it held by such an army to-day. The Army in India always contained and to-day contains a nucleus of white troops, but the majority of the regiments of which it is formed consist of Indians led by British officers. The truth is that under our lead and organisation the Indians have themselves established the British Peace in India, and our rule continues because it gives what the Indian people desire—order and justice based on loyal allegiance to the person of a supreme ruler, or, in other words, on efficient and fair government *in the name of the King-Emperor.*

4. Local Autonomy in the Dominions

In 1791, only seven years after the establishment of the Board of Control, an Act was passed to set up a Canadian Assembly. By that Act was inaugurated another great principle of British Imperial Government, the autonomy of those of our Colonies which have been settled by our own kith and kin, or by European peoples of the same civilisation. The foundation of these Colonies was due in part to the same spirit of mercantile adventure which led to our Empire in India, but in part to the spirit of religious independence excluded from the Mother Country by intolerance.

The English and the French both established

colonies in the New World. In 1608 the French sailed up the St. Lawrence and founded Quebec and Montreal. Thence arose the French-speaking community of Canada. At a later time the French advanced to the Great Lakes, and sailed down the Mississippi to the Gulf of Mexico. Louisiana was the name which they applied to their territory in the Mississippi basin, though that name has now been confined to the American State at the mouths of the river. In the greater Louisiana they founded the cities of St. Louis and New Orleans.

About the same time, or a little earlier, the English made settlements on the east coast, south of the St. Lawrence. Their first colony was known as the Dominion of Virginia, so called after Queen Elizabeth. Their second colony lay to the north of Virginia, and was called New England. It was founded by the Pilgrim Fathers in 1620. The Pilgrim Fathers were Puritans who left home in order that they might worship God in their own way. Boston became the chief of the Puritan cities. Between Virginia and New England were the Dutch on the Hudson River. In the reign of Charles II. the Dutch settlements were conquered by the English, and the town of New Amsterdam was re-named New York. Thus the English Colonies came to form a continuous strip of settlements along the Atlantic shore.

During the eighteenth century, when Britain and France were at war, there was fighting in

America as well as in India. And as in India, so in America, the truces which were from time to time made in Europe brought no very real cessation of hostilities on the outskirts of civilisation. A bickering fight continued, and when relations between the Mother Countries became strained, a serious conflict took place in North America even before the formal outbreak of war. As early as 1713 Nova Scotia was ceded to Britain by France, but the crucial events did not take place until the middle of the century when the Seven Years' War was fought between the two countries. In 1758 we took Louisburg, the principal French fortress at the mouth of the Gulf of St. Lawrence. In the following year a British fleet sailed up the St. Lawrence to the Island of Orleans, just below Quebec. The citadel of Quebec was thought almost as strong as Gibraltar, and was regarded as impregnable. General Wolfe, who commanded our troops, failed in his first attempt to take it. After a month he made a second effort which succeeded. Wolfe died in the moment of victory, and the French General, Montcalm, died next day. Some months later Montreal was taken. By the Peace of Paris in 1763 the conquest was confirmed, but it was stipulated that in Canada the French language and laws, and the Roman Catholic religion, should be respected by Britain.

George II. died in the year 1760 in the middle

of the Seven Years' War. He was succeeded by his grandson, George III., a young man of only twenty-two years. A great change took place in the spirit of our Government with the accession of the new king. It is recorded that his mother, the widowed Princess of Wales, said to him, "George, be King," or, in other words, "Do not follow the example of your grandfather and great-grandfather, but return to the older way and be your own Prime Minister." Thus began the last serious attempt to restore the executive power of the King. It cost us the loss of the United States, but we learned from that loss the secret of a free Empire.

The time was, of course, past when Parliament could be flouted in the way that the Stuarts had flouted it, but the King had open to him the methods that had been employed by the great Whig families for the control of the House of Commons. By outbidding the Whigs in bribery, and by the use of the royal patronage, he gathered round him a body of Members known as the King's Friends. His design was so obvious that already in 1761 he quarrelled with his great Minister, Pitt, who resigned. Pitt was succeeded by a Scotchman, Lord Bute, a personal friend of the King. Bute made the Peace of Paris with France in 1763. He was in such a hurry to reverse Pitt's policy that we deserted our ally, the King of Prussia, and left him to make a separate

peace as best he might. Frederick the Great never forgot this perfidy, and when we were in trouble a few years later he refused to lift a hand on behalf of his former friend.

In the speech in which he prorogued Parliament in April, 1763, the King made reference to the recently concluded Peace of Paris. In a newspaper called the *North Briton*, John Wilkes, a Member of the House of Commons, severely criticised the King's words. Even at that time it was understood that the Ministry were responsible for the utterance which is put into the King's mouth at the opening and closing of Parliament, but George chose to regard Wilkes' article as a personal attack upon himself, and ordered the Secretary of State to issue a General Warrant—a warrant, that is to say, which does not name the person to be arrested. Under this warrant Wilkes was arrested and sent to the Tower, and his papers were seized. He obtained, however, a writ of Habeas Corpus, and pleaded that his privilege as a Member of the House of Commons made him immune from arrest. The Court held that that privilege extended to all offences except treason, felony, and breach of the peace, and Wilkes was released.

The Wilkes episode made the King very unpopular in the country. He had stepped forward as his own Prime Minister, and the country held him responsible for the actions of his Government.

One of the most unfortunate and discreditable periods of our history ensued. Everything went wrong. At home, as we have just seen, there was an open quarrel between the King and his people. In India there was confusion which was only righted by the strong action of one man, Warren Hastings, and he was impeached for what he did. Among the Powers of Europe we were isolated, for we had humiliated France in the recent war, and had offended Prussia when making peace at the end of it. Our finances were in a bad state. The Seven Years' War had been very costly, and the National Debt stood at £135,000,000. As so often happens, the effort to set the finances straight precipitated even greater difficulties.

The war had been waged in no small degree on behalf of the American Colonies. The most conspicuous result of its victories had been to free those Colonies from all threat of French pressure from Canada and Louisiana. It was therefore felt, and justly felt, that they should pay something towards the cost which had been incurred. Parliament passed a Stamp Act, ordering that only stamped paper sent over from England should be used for legal documents in the Colonies.

Serious trouble began at once. The colonists objected to being taxed by the British Parliament in which they were not represented, and adopted

as their watchword, "No taxation without representation." They resolved not to use the English stamped paper. Riots broke out, the offices of the Government officials were wrecked, and the stamps were destroyed. Trade with England came almost to a standstill, so that many English merchants were ruined, and a cry went up at home for the repeal of the Stamp Act and for agreement with the Colonies. Pitt supported the demand for repeal, saying, "I rejoice that America has resisted." The King was obliged to give way, and the Act was repealed, but at the same time the British Parliament made a declaration to the effect that it had the right to make laws binding upon the Colonies in all cases. The colonists denied that this right extended to the imposition of taxation.

In his difficulty George turned to Mr. Pitt, and asked him to become Prime Minister again. Although in broken health Pitt consented. Feeling that his strength was not enough for him to lead the House of Commons, he went to the Lords as Earl of Chatham. After a few months, however, he became so ill that he could not attend to public business, and very soon the Ministry was in confusion. Townshend, the Chancellor of the Exchequer, then tried to raise revenue from the Colonies by collecting import duties on glass, paper, tea, and lead. Again America resisted. Townshend died and Chatham resigned. Lord

North became Prime Minister, but he was little more than a tool in the hands of the King.

The opposition of the Colonies was so determined that North thought it best to make concessions. Unfortunately his action was half-hearted, and did more harm than good. He repealed all the duties which had been imposed by Townshend except that on tea, which he retained not for what it produced, but in order that the Colonies might feel that the British Government had not abandoned the right of imposing taxes on them. The resentment grew, and came to a head on December 16th, 1773, when ships with tea from the East arrived at Boston. The colonists asked the Governor to send them away, and when he refused, a mob, disguised as Indians, boarded the ships and threw the tea into the harbour. Even then civil war might have been prevented if the English Ministers had been conciliatory, but the King and North were obstinate. The former declared that the colonists would only be "lions while we are lambs, and if we take the resolute part they will undoubtedly be very weak." So resistance was goaded into war.

The colonists threw up a great leader in George Washington, a gentleman of Virginia who had fought against France in the Seven Years' War. He was appointed to command the American forces. An invasion of Canada was determined on. The French Canadians, however, remained loyal, for

Britain had kept the promises which she had made to them in the Treaty of Paris, and they resisted the Americans, who after a futile attempt to take Quebec were driven back across the frontier. Elsewhere the war went badly for Britain.

We were defeated owing to gross mismanagement and inefficiency, both at home as regards the supply of the army in the field, and across the Atlantic as regards the actual conduct of the operations. At the critical moment of the struggle, France saw her opportunity, and took it. Anxious to avenge the defeats of the Seven Years' War, she acknowledged the independence of the Colonies, made a treaty of alliance with them, and sent them help. Spain also declared war on us. The Prussians refused to help us.

So serious was the position that it was proposed to abandon the war with the Colonies, and to concentrate against our foreign foes. This brought Chatham down to the House of Lords for the last time. In a great speech he protested against "the dismemberment of this ancient and most glorious monarchy." At the end of his speech he fainted, and was taken home to die. The fortunes of our country had passed from their highest almost to their lowest since he resigned in 1761.

The overwhelming disaster of the American War came in October, 1781, when Lord Cornwallis

and his army surrendered at Yorktown. He was hemmed in by Washington, but the real cause of his defeat was that the French fleet held command of the neighbouring seas, and reinforcements could not be sent to him. Britain lost America because at a critical moment in the campaign she lost command of the sea to the French. So France had her revenge.

Spain thought that the opportunity had come to re-take Gibraltar. In July, 1779, the Rock was attacked by the French and Spaniards. Next year, however, Admiral Rodney defeated their combined fleets off Cape St. Vincent, and threw supplies into the fortress. Once more the siege closed in, and the place was bombarded both from sea and land. For three and a half years the attack continued, the besiegers often outnumbering the besieged by ten to one, but our flag was kept flying to the end of the war by General Eliott and his men.

Apart from the glory of Gibraltar, and the victories won at sea by Rodney, the one satisfactory episode in this deplorable chapter of our history was due to the loyalty of the French Canadians. Canada owes her double origin, French and English, to the American Revolution. When the Independence of the United States was recognised in 1783, many of the best men from among the colonists forsook all their possessions and migrated into the territories to the north which still remained

British. In what are now known as the Maritime Provinces, and in Upper Canada, which is now Ontario, the United Empire Loyalists established English-speaking settlements and made themselves neighbours of the French. Thus Canada became, as it has remained, a nation of two races, like the Swiss in Europe. Not merely do Canadians speak two languages, but they are of two religions and obey two systems of law. In 1791 the loyalty of both races was recognised by the Act of the Imperial Parliament establishing a Canadian Assembly. So was inaugurated a representative system of government *in the name of the King*, although for some years into the next century the ministers continued to be responsible to the Governor and not to the Legislature.

5. Trust in Popular Electorates

In the year 1785, in the same decade which saw the reform of our Government of India and of Canada, William Pitt, the younger, proposed the first serious measure for the reform of Parliament at home. His project was defeated, and the great war with the French Republic and Empire followed. For a whole generation our country was occupied in a life-and-death struggle, and questions of reform were dropped.

Britain emerged from the great war with the

essential structure of her Empire complete. We were supreme on the ocean. Canada, India, South Africa, and Australia were ours. Through the Board of Control we had assumed self-denying power over India. On the other hand, we had granted self-government to Canada. But for half a century to come men did not think much of these things. The centre of interest in our history moved to the Homeland.

The war left us an immediate legacy of difficulty and discontent. Soldiers were discharged from the Army and sailors from the Navy, and could not find employment. The Continental nations, released at last from the turmoil of war, began to manufacture for themselves, and there was less demand for British goods. It happened also that for several years in succession the harvests were bad, and food was dear. Not unnaturally there were riots in some parts of the country.

The demand for the "radical" reform of Parliament, which had been inaugurated by Pitt a generation earlier, was renewed with vigour. The House of Commons had long ceased fairly to represent the people. Many of the boroughs to which seats had been assigned in former days had now dwindled to mere villages and hamlets. A few rich men owned these "pocket boroughs," and elected their Members of Parliament. Old Sarum, for instance, which

had now no inhabitants, still returned two members. On the other hand, many of the large new towns of the manufacturing north were altogether unrepresented. People felt that only a representative Parliament would deal with the evils of the time.

It was not however until 1830 that a Ministry came into office, with Lord Grey as Prime Minister, which was prepared to introduce a Reform Bill. It was proposed to abolish sixty small boroughs, and to take one member from forty-six others, distributing the seats so obtained between the great towns and the counties. The right to vote for Members of Parliament was given to owners of freeholds worth £2 a year, of copyholds worth £10 a year, and of leases worth £50 a year. In boroughs a rent of £10 a year was to qualify.

The Second Reading of the Bill was carried by a majority of only one—302 to 301, and in Committee the Government were defeated. Thereupon the King, on the advice of his Ministers, dissolved Parliament. In the new House of Commons the Reformers had a large majority, and the Bill was re-introduced with small amendments, and passed its Third Reading by 345 to 236. The House of Lords, however, rejected it on Second Reading by 199 to 158. At once there was agitation throughout the country, especially in the larger towns which were unrepresented.

In Bristol there was a riot, and in Nottingham the Castle was burned.

Parliament met again in December, 1831, and the Reform Bill was re-introduced. The Second Reading was carried in the Commons by a majority of 162, and the Third Reading was not challenged. The House of Lords gave the Bill a Second Reading by a majority of 9 (184 to 175), but then postponed vital clauses. The Government asked the King to create fifty new peers, in order to overcome the opposition. Queen Anne had created peers in order to secure approval for the Treaty of Utrecht. The King, however, would not consent, and the Ministry resigned. The Duke of Wellington was asked to form a ministry, but could not, and then the King yielded and said that he would, if necessary, create peers enough to secure the passage of the Bill. So the Lords gave way, and the Reform Bill became law. Political power was transferred from the upper to the middle classes in the towns, though less change was the result in the county constituencies.

In the generation which followed the passing of the first Reform Act the industrial classes of the North of England first began to count seriously in our politics, and the working men of the new towns demanded to be added to the electorate. In the early years of Queen Victoria's reign there was great distress and discontent. In the large

towns the conditions of life were much worse than they are now. A tenth of the whole population of Manchester, for instance, is said to have lived in underground cellars. In some parishes more than thirty persons lived on the average in each house. Small wonder that discontent was rife, and that men were asking whether the end of it all would not be a great revolution.

The reforms desired were embodied in what was called the People's Charter. The Chartists demanded manhood suffrage, vote by ballot, equal electoral districts, the abolition of the property qualification for members of Parliament, and payment of members of the House of Commons. These demands would not have been thought revolutionary to-day, but at that time when a great number of the people could not even read, it would have been in the highest degree dangerous to have yielded to the Chartists. There were riots and blood was shed, but firm action by the Government crushed the movement.

In 1865 it was at last felt that the time had come for a further advance, and Gladstone, who was Chancellor of the Exchequer and Leader of the House of Commons, introduced a new Reform Bill, but a number of Liberals voted against it, and the Government was defeated in Committee. The Conservatives came into office, with Lord Derby as Prime Minister, and

Disraeli as Chancellor of the Exchequer, and another Reform Bill was introduced. It was modified in the Commons until it represented a compromise between the two parties, and passed its Third Reading without opposition. To a large extent this Act handed over political power to the working classes of the industrial North. Votes were given in the boroughs to all who paid rates, that is to say, to every householder. Lodgers were given a vote if they paid at least £10 a year rent. In the counties the franchise was given to occupiers with a rental of £12. There was also a redistribution of seats, with a view to making constituencies more even in size.

In 1884, when Mr. Gladstone was once more Prime Minister, a new Franchise Bill became law, again as the result of agreement between the Parties. The vote was now given to the agricultural labourers in the county constituencies, to which the household franchise of the 1867 Act had not applied. A Redistribution Bill followed. A number of small boroughs became merely parts of their counties for Parliamentary purposes, and 160 seats were taken from the less populous parts of the country, and given to London, Glasgow, Birmingham, and the rapidly growing towns of Yorkshire and Lancashire. In the generation which has since elapsed, the uneven growth of the population has once more upset the fairness of the

distribution of seats. The constituencies, each returning one member to Parliament, to-day vary from Kilkenny with 1700 to Romford with 60,000 electors.

The extension of the franchise made compulsory education inevitable. The connection of the state with English elementary education began in 1833, when a grant of £20,000 was made by the House of Commons to assist the work which was being done by the British and Foreign School Society and the National Society, founded in 1805 and 1811 respectively. In 1839 the grant was increased, and a special Committee of the Privy Council was appointed to administer it, and was given power of inspection over the schools which were in receipt of the grant. In the next few years training colleges for teachers were set up by the two great societies, with the aid of Government grants. In 1846 the total grants in aid of education amounted to a million pounds, and were divided under three heads—training colleges, the maintenance of existing schools, and assistance towards the building of new schools. Progress was, however, very slow, and in 1861 a Royal Commission was appointed to consider the whole question of public elementary education. It was found that only about one million children in the whole country were receiving an education of any kind. In 1870 Mr. Forster introduced the Education Bill

which is the foundation of our present system. By this Act provision was made for accommodation in public elementary schools for all children in each school district, and where sufficient provision was not made by voluntary effort, School Boards were set up to make such provision, to be paid for out of the rates. The School Boards were elected by the ratepayers.

At first the School Boards were given power to make by-laws enforcing compulsory attendance or not, as they wished, but this arrangement was found to be unsatisfactory, and in a few years attendance at a school was made compulsory. Small fees were charged at the Board Schools, usually not more than a few pence a week, but even that sum pressed heavily on the poorest classes, which were most in need of education, and in 1891 all fees were abolished, so that elementary education became free as well as compulsory. Soon afterwards the minimum age for leaving school was raised to eleven, and then in 1899 to twelve. In that year also the Committee of the Privy Council which had administered the Education Acts was constituted an independent Board of Education, and was given greater powers.

In 1902 it was found necessary to re-organise the whole system by a comprehensive Act. A separate Act was passed in 1903 in regard to London. The School Boards were abolished in

England and Wales. The County Councils, the Borough Councils, and the Urban District Councils became the education authorities. They levy the rates from which the old Board Schools are maintained and the Voluntary Schools are assisted. They administer the Parliamentary grant, subject to the reports of His Majesty's Inspectors of Schools. The new authorities have also been given power "to assist education other than elementary," and have used that power to set up and to help Secondary Schools and Universities.

The effect of the new Acts has been to reduce the number of educational authorities to one-tenth of what it was, each of course administering a correspondingly larger area, and efficiency and economy have resulted. In 1911 there was accommodation in the Elementary Schools of England and Wales for some seven million children, for about a million in Scotland, and three-quarters of a million in Ireland. In England and Wales the Parliament Grant was £11,500,000, and the receipts from local rates about the same. In Scotland, to which the Act of 1902 did not apply and where School Boards still exist, about £4,000,000 is spent on education, of which half is from Parliament; and in Ireland £1,750,000 is spent. The total cost of the educational system of the country is about £30,000,000 per annum.

The Act of 1870, and the successive Education Acts which have followed, have given to the United Kingdom to-day a population that can at least read and write. The Reform Act of 1832 gave power to the middle classes, and the Act of 1867 transferred some of that power to the artisan class. Finally came the Reform Act of 1884 by which the agricultural labourers and many of the unskilled workers in the towns were added to the Electorate.

The people of the United Kingdom now control the Government through the House of Commons. By means of the modern methods of communication, and by means of a cheap press, the news of the whole world is brought to us daily. Every citizen is asked to think for himself, and to act according to his judgment. His responsibility is great, for he is called upon to vote not only upon local questions, but in regard to imperial issues. The destiny of the Empire is in his hands.

All the Parliaments of the Empire are to-day elected democratically. In the last resort, therefore, the Peoples of the United Kingdom and of the five self-governing Dominions choose the men by whom they are governed. But the People of the United Kingdom have in addition the ultimate power in regard to India and the Crown Colonies, and in regard to the Navy and Foreign Policy. In the main ours is an industrial democracy,

dependent for its livelihood in no small degree on markets over the seas. It is becoming an educated democracy. Education is essential for rule, and especially for the rule of an Empire.

The establishment of Cabinet Government was facilitated by a fortunate accident. George I. spoke German and not English, and therefore could not preside over his own Council. In like manner were we fortunate in having a Queen upon the throne when the great transition was effected to a Democratic Parliament. The Royal Family was not popular under the four Georges, but human sympathies were enlisted when a girl wore the crown. It was not, however, until fully half way through her reign, or even later, that Queen Victoria came to be regarded with more than loyal reverence throughout her Empire and indeed throughout the world. By her the Throne was detached from our Party controversies, and strange as it would have seemed to our ancestors as late even as the thirties and forties of last century, we now have democracy *in the name of the King*.

6. Imperial Unity

A new principle is emerging in our own time from the vast changes in all the conditions of

human life which have lately resulted from man's increased control over nature, due to scientific discoveries. The time was when organisation, whether of government, or commerce, or industry, was relatively simple. As we have seen, each of our counties was in large measure a self-contained community. Each country of the world was very definitely a separate community. Foreign trade was mainly for luxuries.

To-day we have almost annihilated space. We can communicate with the far side of the world almost instantaneously. We can travel thither in no more time than it used to take to go from London to the Hebrides. The result is that each of our lives, whether we are always conscious of it or not, is now in touch with the whole world. To give one simple illustration of the change, the parcel post puts the British settler in East Africa or the official in India into direct communication with the retail shop, say in Oxford Street. In certain trades the retail shops are disappearing from all the smaller towns. A single Board of Directors may administer what has practically become a monopoly over a large area, or perhaps over the world itself. Centralisation of control is the characteristic of our time, hence the vast growth of such cities as London—the places, in other words, which are the governing and distributing centres.

On the other hand, it is clear that some

things must be left to the man on the spot. If a man owns shops for the sale of a certain kind of commodity in a hundred towns, it is obvious that he cannot interfere in details to the same extent as could the old-fashioned shopkeeper who was master in his single shop. Therefore while the control is centralised, much power must be delegated to the representatives in each locality.

Thus the characteristic of our time is the national and international organisation of industry and distribution on the principles of centralisation and delegation. Governments are necessarily adopting the same methods. The Government at Westminster cannot leave the whole control of the counties to the men on the spot. The County Council of such a County as Herefordshire would be helpless as against the Directors of one of our great Railway Companies, if it had not behind it the National Government. Therefore nations in their organisation of the supreme power of the State must adopt the principles of centralisation and delegation. The Central Government determines the policy, and the local authorities carry out the details, but with the power of the Central Government behind them.

To hold our own among the great Empires of the world, which the new power of organisation has rendered inevitable, the peoples of the British

Empire are drawing together. But imperial centralisation is balanced by vigorous local nationalities.

No one now desires further to extend the British Empire. It includes to-day one-fifth of the land and one-fifth of the people on the globe. Our present problem is to organise it in such a way that while the affairs of each part may continue to be managed on the spot, each shall contribute to the strength of the whole, and the strength of the whole shall in turn be brought to bear for the defence and development of the parts. "Each for all and all for each" is the motto of the British Empire.

Only of late, however, has this been generally recognised, and for a very natural reason. When the great wars of the end of the eighteenth and the beginning of the nineteenth century were over, and the battle of Waterloo had been lost and won, Britain found herself in unchallenged command of the ocean. Scattered over the world she had a number of possessions, some of them settlements and some of them conquests. In the course of the next half-century she added to these possessions from time to time, but without any set design of Empire. As the development of her trade interests required, she took possession here of an island and there of a harbour. There was no power in the world at that time to say her nay. As regards her larger territories beyond

the seas, the prevalent opinion was that sooner or later they would "cut the painter" and follow the example of the American Colonies, which had become the United States. Most of our statesmen at this time regarded the Colonies almost as an encumbrance, except in so far as they were stations for the supply of our men-of-war and merchant ships. Britain was thought of as a great factory to which raw materials were brought to be made up. Her ships were her commercial travellers, and the overseas stations were her offices and depots at the gates of her markets.

About the year 1851, when the first Great International Exhibition was held in London for the entertainment of our customers, the British Empire was still thought of in this way. The earliest of the events which worked a change and gradually turned our minds into a new direction was the great Civil War in the United States, fought between the years 1861 and 1865. The result of that war was to unite more stably than before the government and power of the United States. Beside their giant neighbour, thus newly braced, the British Colonies in North America began to feel insecure. The larger minded among Canadian statesmen saw that if they were to retain their independence there must be a colonial federation, extending ultimately from ocean to ocean. There was another circumstance

which co-operated to the same end. The French-speaking population of Quebec and the English-speaking population of Ontario found it difficult to live peacefully under a single Parliament and Executive, for their laws and religions differed no less than their languages. Both races, however, hated the idea of annexation to the United States, and desired to remain under the protection of the Union Jack. Therefore they agreed to differ to the extent of division into separate provinces, but they agreed also to cling together federally for the purposes of supreme government. The maritime Colonies of Nova Scotia and New Brunswick became other provinces of the new Federation.

In 1867, at the desire of the Canadians, the Imperial Parliament passed the British North America Act (30 Victoria, Chapter 3). The preamble of this Act runs in the following terms :—

"Whereas the Provinces of Canada, Nova Scotia, and New Brunswick, have expressed their desire to be federally united into one Dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a Constitution similar in Principle to that of the United Kingdom; and whereas such a Union would conduce to the welfare of the Provinces and promote the interests of the British Empire; and whereas it is expedient that Provision be made for the

eventual admission into the Union of other Parts of British North America; Be it therefore enacted . . ."

A Federal Government was thus established with its capital at Ottawa, and with one Parliament for the whole of Canada. To that Parliament was given authority to deal with all matters affecting Canada, except those specially reserved to the local Parliaments of the Provinces (at first four) into which Canada was divided. Provision was made for the admission by Orders in Council of other Provinces into the Dominion, and under such Orders the North West Territory was admitted in 1870, British Columbia in 1871, and Prince Edward Island in 1873. The North West Territory was afterwards divided into the three Provinces of Manitoba, Saskatchewan, and Alberta.

But Canadian unity was not effected merely as the result of an Act of Parliament. The union would have been only in name had it not been possible to bridge the vast spaces of the Dominion. Therefore the Canadian Pacific Railway was constructed from St. John on the Atlantic, through Montreal to Winnipeg, and then over the Prairies and the Rocky Mountains to Vancouver on the Pacific. Parallel with the railway, a little to the south, is the frontier of the United States, and customs duties were imposed on most goods entering the Dominion northward. So trade was

diverted east and west along the new railway, with the object of binding Canada together. North of the Canadian Pacific Railway two new trans-continental lines are now being constructed, the Grand Trunk Pacific and the Canadian Northern Railways, which will "unroll the map of Canada a hundred miles further to the north." These railways will bring to Europe the wheat from the Canadian North-West, where to-day a million people grow food enough for thirty millions. Newfoundland has remained a separate Colony, with separate interests, for she is mainly concerned with the cod fisheries on the Great Bank and seal fisheries along the coast of Labrador.

Thus one great effort at closer organisation outside the British Empire had led to a corresponding effort within the Empire. The territory ruled from Ottawa, although not the population, is as great as that ruled from Washington. The next steps of our Imperial Organisation were in reply to other consolidations of foreign Powers. The Congress of Berlin in 1878 terminated a series of great wars in the sixties and seventies of last century. As a result of those wars a United Germany and a United Italy arose, and the affairs of Europe became relatively stable. The result was that for the first time since Waterloo the States of Central Europe, and especially Germany, had energy to spare for ventures beyond the ocean. There was a scramble for territory in

Africa, and on the islands and along the coasts of the Far East. In the Far East, Germany, France, and the United States seized upon various territories, and the native Empire of Japan grew in a generation from a negligible quantity to a first-class power. As a consequence, the Australasian Colonies began to feel that they were no longer distant from the rest of the world. Therefore they drew nearer to one another and to the Mother Country.

In 1891 a conference of delegates was held at Sydney and a federal scheme was agreed to, but it was not until 1900 that the Australian Commonwealth Act was passed by the British Parliament. It came into force on the first day of the present century. New South Wales, Victoria, Queensland, South Australia, Western Australia, and Tasmania became States of the Commonwealth. New Zealand, thirteen hundred miles away across a stormy sea, remains a separate Dominion.

In South Africa similar pressure from without produced similar results, but not until after a great war. In Australia and in New Zealand we have wholly English-speaking communities, but in South Africa, as in Canada, there are two races, British and Dutch. After the cession of the Cape to Britain, as a result of the wars of a hundred years ago, there was long strife between the British and Dutch in the Cape Colony. It ended

only in 1837, when the Dutch trecked from the Cape to found new settlements in Natal. But Natal, being a coastal region, was annexed by Britain, and the Dutch again trecked, this time to the interior, where they established the Orange Free State and the Transvaal Republic. Just about the time when the European nations—chiefly the Germans, the French, and ourselves—were dividing the map of Africa among them, there chanced to be discovered in South Africa great deposits of gold and diamonds. Miners from all the world, but especially from Cornwall in England, were attracted to Johannesburg and Kimberley. Once more, therefore, the Dutch found their rustic isolation disturbed by an English-speaking population. There was no longer room for a fresh treck, for Mr. Cecil Rhodes had already annexed the territories north of the Transvaal which to-day bear his name. The Dutch Boers thought that the other European nations, and especially the Germans, would come to their aid, and therefore they defied Britain. But British power on the ocean was sufficient to prevent any foreign interference with the struggle that followed, and in the end the Dutch were defeated.

After a period of military occupation Responsible Government was given to South Africa. The four Colonies of the Cape, Natal, the Orange Free State, and the Transvaal were

formed into a "Union" with a single Parliament and a single Ministry. For certain minor and local purposes, the former Colonies have been preserved as Provinces of the Union. The provincial powers, however, are much smaller than the state powers of the Australian Commonwealth, and smaller even than the provincial powers of the Dominion of Canada. South Africa is, in fact, ruled by a single Government, just as is the Dominion of New Zealand. The South African Parliament sits at Cape Town, but the seat of the administrative offices is at Pretoria.

The British Empire to-day consists of the Home Country, and of Five Britains beyond the Seas—Canada, Newfoundland, Australia, New Zealand, and South Africa—together with the Indian Empire and a number of Crown Colonies in the West Indies, Africa, and the East. Until the last ten years or so the Empire has mainly rested on Britain alone, being bound together by little more than ties of sentiment, and by the fact that the Throne is common to the whole Empire, and that the Privy Council is the supreme Court of Appeal for the whole Empire outside the United Kingdom. The Home Cabinet, responsible to the Parliament

elected by the United Kingdom, governs more than the United Kingdom. It selects and supports the men who rule India and the Crown Colonies, in other words the tropical and subtropical parts of the Empire. The five self-governing Dominions—Canada, Australia, New Zealand, South Africa, and Newfoundland—elect their own Parliaments, to which separate Cabinets are responsible, though in the case of each of them, as in India and the Crown Colonies, all government is *in the name of the King.* The essential fact in the Government of India and the Crown Colonies is that although they do not rule themselves, yet they are now ruled as far as possible for their own good and the good of the Empire, and not merely in the interest of the Mother Country or of any class in the Mother Country. The Cabinet of Westminster is, however, the Imperial Cabinet in a yet larger sense than because it rules India and the Crown Colonies. It still makes war and peace for the whole Empire, determines the Foreign Policy, and controls the Imperial Navy.

But in the last few years a great deal has been done to give the Empire an imperial organisation. In the crisis of the Boer War the new Britains rallied to the support of the Mother Country, and since then the Dominions have organised forces for their own defence, and for the assistance of the Empire in time of need.

By means of the Imperial Staff the local organisations have been correlated and form a single system. In 1903 the Commonwealth of Australia and the Dominion of New Zealand made contributions towards the cost of the Imperial Navy, and New Zealand has since contributed a battleship. Canada has also given assistance. It is recognised throughout the Empire that we can maintain our independence, keep up the communications between our various territories, and bring the strength of the whole to bear for the defence and support of each of its parts only on one condition, namely, that in time of war we are prepared to make ourselves supreme on the ocean as against our enemies.

The first steps have also been taken towards the formation of a Council for the whole Empire. Every fourth year the Prime Ministers of the Five Britains Beyond the Seas come to England for an Imperial Conference, which is presided over by the Prime Minister of the United Kingdom. This Conference has no executive or legislative authority, but it deliberates on questions which concern the whole Empire—commerce, naturalisation, marriage, bankruptcy, copyright, and so forth. A Committee of Imperial Defence, on which the Dominions are represented, has also been constituted for the discussion of matters relating to the naval and military defence of the Empire. It seems inevitable that sooner or later there will

be one supreme representative body determining Imperial questions, and especially questions of foreign policy, for the whole Empire. In this connection it should be noted that all the Britains have adopted the system of responsible government, with ministers dependent on the will of the people as expressed at the polls. Therefore it should be the easier for the British Imperial Constitution to develop in such a way as to provide for the continued freedom of the individual parts of the Empire and yet to permit a single initiative in matters where divided action may be fatal.

As with individuals, so also with nations, attention is usually concentrated mainly on some one object at a time. Each of the six principles described in this chapter has been contributed to our national life in a separate epoch of history. Two-thirds of the centuries after Hengest and Horsa were needed to secure the supremacy of the Common Law. The transformation of the Mediæval Monarchy into the Limited Monarchy with Cabinet Government took place in the time of William III., Queen Anne, and the first two Georges. The essential foundations of our Empire—the self-denying rule of India, and self-government in the Dominions—were established in the long reign of George III. Democracy was

brought about in the course of the reigns of George IV., William IV., and Queen Victoria. The organisation of Empire has been in progress under Edward VII. and George V. The only logic which explains and connects the facts and forms of British Government is the logic of history. It is the way of our race never to stop the running machine, but to mend and adapt it as it runs.

Thus it has come about that the oldest of our Institutions, the Throne, still remains the centre and focus of our varied Empire. The strongest bond of unity among us is the fact that 450,000,000 fellow subjects owe allegiance to one Sovereign. But that allegiance varies greatly in its character. The communities which constitute the Empire belong in effect to different ages. Dominated by different conceptions and prejudices they regard their Monarch with different eyes. Such an unsymmetrical polity would not be possible but for the ingrained British respect for tradition and precedent.

At Home the King is the visible ceremonial head of the State, the crowned and hereditary President of our Republic. In the self-governing Dominions, owing to the limitations of distance, he is not even ceremonial head. That function is discharged by deputy. For the great majority of Canadians, Australians, and South Africans the King must be a portrait and a name. The

more abstract and typical nature of the monarchy in the distant Dominions is in harmony with the greater fervour with which the national anthem is sung and the more frequent use of the national flag.

In the Army and Navy, both at home and abroad, there is a more intimate relation. Military discipline in the King's name is more consciously present in the daily lives of soldiers and sailors than is the King's law in the life of the civilian. The Sovereign is Commander-in-Chief. Men fight for King and Country, and not merely for Country. In many soldiers and sailors there is undoubtedly a strong sentiment of allegiance and affection for the King's person. It is the token and security of their detachment from Party.

In India the King-Emperor has in some degree at any rate stepped into the place of historic dynasties. There is a religious element in the allegiance of tens of millions of our Indian fellow subjects. Most certainly a British Monarchy rules India more easily than would a British Republic.

Lastly, diplomatic envoys are accredited to the Court of St. James's and not to the Parliament at Westminster. A monarch of ancient lineage, even though constitutional, has easier relations with the great despotic or half-despotic governments which still rule in no small part of Europe and Asia.

Our Constitution blends inextricably the utilitarian and reverential principles. As a race we owe everything to our sense of history. Nothing is so convenient in practice, because nothing is so nicely fitted to its purpose, as that which has been evolved under the pressure of events. At the same time nothing so easily commands acquiescence and compliance as that which comes down from the past, so that "the memory of man runneth not to the contrary."

SUBJECT INDEX

THE END

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Extracts from the Board of Education Circular 834 (1914).

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9th Year.—"OUR OWN ISLANDS."*

10th Year.—"OUR ISLAND HISTORY."*

11th Year.—"LANDS BEYOND THE CHANNEL."

12th Year.—"DISTANT LANDS."

13th Year.—"THE NATIONS OF THE MODERN WORLD."

14th Year.—"THE MODERN BRITISH STATE."

The decision to modify the original Scheme so as to combine the teaching of Geography and History in the Primary and Lower Secondary stages of Education has been arrived at by the Author after mature consideration for the reasons set forth in the Preface to "Our Island History." Mr. Mackinder there writes as follows:

"We study Geography and History in order to obtain an outlook into the space around us and into the time before and after us. No fact can exist and no event can take place except both in space and in time. Therefore every fact and event have

* An alternative course would be to take Part I. of each of these books in the 9th year, and Part II. of each of them in the 10th year.

both a geographical and a historical aspect. Space and time cannot be separated except in books. It is because they are to a large extent separated in our school books that history and geography often seem so unpractical to our children.

"Take the following simple statement: '*I threw a stone* into the middle of a pond, *and the ripples moved* outward in circles, *and broke as wavelets* on the shores of the pond.' The words in italics are history, and the remainder of the statement is geography. Is it not absurd to dim the vividness of a child's thought by abstracting history from geography?

"You may teach in one lesson that the Battle of Hastings was fought in 1066, and in another lesson that Hastings is in Sussex, but what is the good of etching upon the young memory such dead items of pedantry? The word Hastings should for life call up a vivid and moving picture set in perspective both of time and space. Through the summer and autumn of 1066 William prepared in Normandy, crossed the Channel, rested at Hastings, fought at Battle, and marched upon Canterbury, and then along Watling Street. He burned Southwark in order to terrorise London, and crossed the Thames at Wallingford in order to cut the communications of London with the Midlands. London surrendered, and William was crowned in the Abbey of Westminster. How can we visualise such a drama if we divorce the Geography from the History?

"None the less we may emphasise now the time relations and now the space relations of the facts of the world, always provided that we maintain enough of the concrete, in other words, of both space and time, for vivid and definite imagination. In artistic education we may at one time concentrate attention on form and at another on colour, but we cannot really abstract the one from the other."

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* See the accompanying specimen pages.

says: "I do not pretend to begin at the beginning, for the first steps must be trodden with the help of the living teacher alone." Along what path those steps should be guided Mr. Mackinder has discussed in the earlier chapters of the book for teachers which he has now written as a companion to the Elementary Studies.

Apart altogether from the advantage on purely educational grounds of combining the teaching of Geography and History, Teachers, it is believed, in these days of over-loaded time-tables, will welcome a scheme the adoption of which is bound to effect a substantial saving in time, whilst as regards cost, an obvious economy must result to the school authority.

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