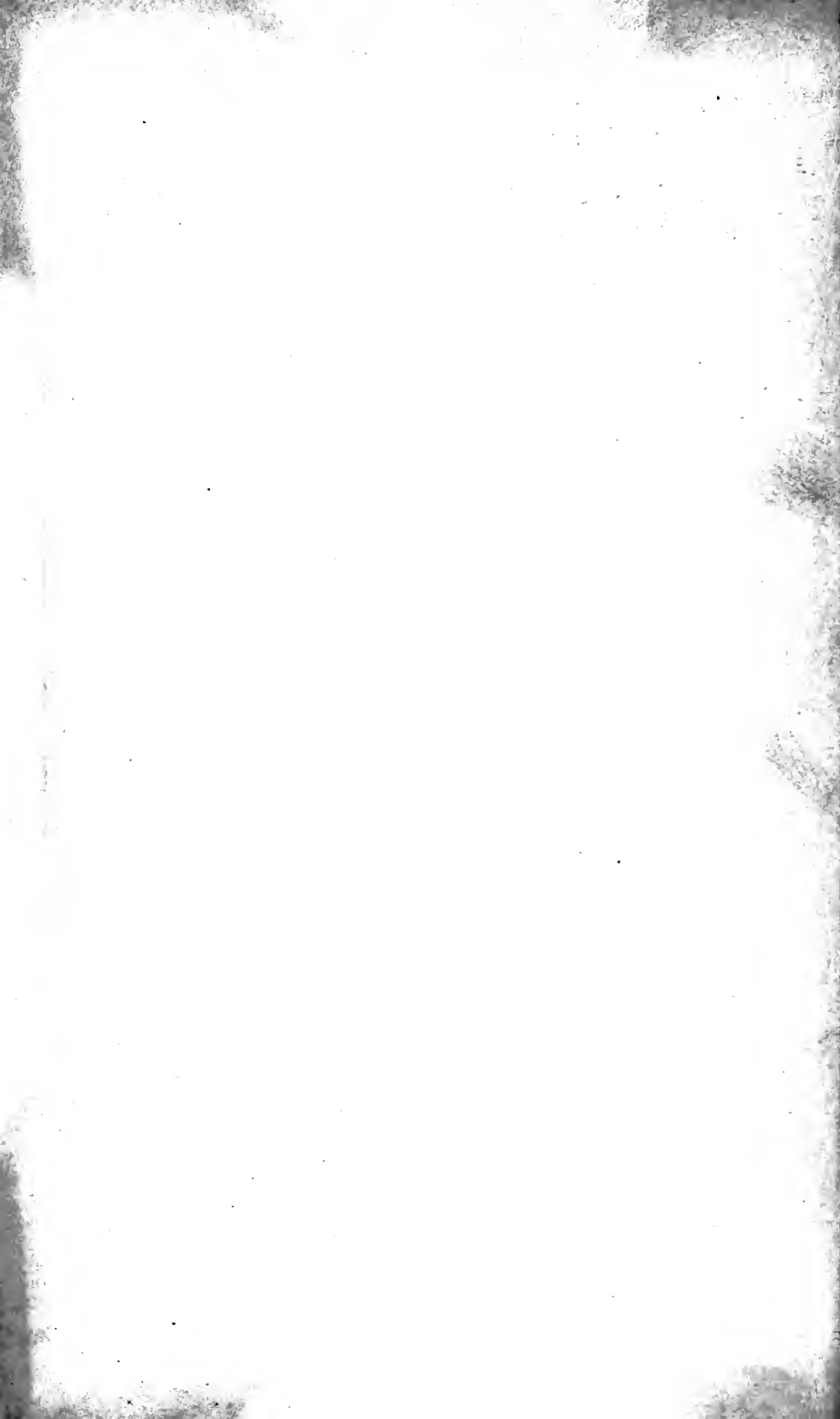


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THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH EMPIRE

Volume II

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DECEMBER 1911 TO SEPTEMBER 1912

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NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the sole charge of local residents, who are also responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

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ON July 1 the world was startled by the news that a German gunboat, the "Panther," had appeared off Agadir. The Imperial Foreign Office explained that it had been sent to protect German subjects in Southern Morocco, whose safety was threatened by local unrest. But every one knew that the dispatch of the "Panther" was a declaration to France that Germany had rights in the Moroccan controversy which she intended to protect, if need be, by force. It was tantamount to the naval custom of firing a shot across the bows of a ship as an intimation that its commander must parley, or fight. But men-of-war do not adopt such measures, except to pirate corsairs or slave hawks, unless war is at least in the air. And so with the "Panther" at Agadir. It was the first act in a crisis which developed so rapidly that before August had dawned, every man in the naval and military forces of Great Britain, Germany and France was warned for active service. The smallest mistake, the meanest incident might have set all Europe ablaze. Fortunately the war clouds have rolled away. But we may well inquire what it was that brought Armageddon so near.

The Agadir incident grew into a European crisis because it happened to focus in a single dispute two almost distinct international quarrels. In one aspect it was one of the final episodes in that contest over the partition of Africa which, for twenty years, has embittered the relations of European powers. In another it was a noisy collision in the silent conflict between England and Germany which was defined in this review a year ago as "the central fact in the international situation to-day." It is only by examining its place in both these international struggles that the true significance of the episode can be gauged.

The partition of Africa may be said to have definitely

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set in about 1880. During the earlier portion of the nineteenth century, Africa, excluding the British and Dutch colonies in the South, and the French colony of Algeria (1830) in the North, had been regarded simply as a stepping stone to the East. Nobody thought of founding white settlements anywhere except in the extreme South and North. And nobody thought well of the prospects of African trade. Outside Egypt there were no civilized people as in India or China, to purchase the manufactures of the West in exchange for the jewels and gold, the fabrics and the spices of the East. The whole country seemed to be desert, or rock or covered with prickly scrub or impenetrable forest, and to be inhabited only by the poorest of savages. The slave trade was the single lucrative enterprise, and that was forbidden by the civilized powers. Thus it was that the great trading nations, the Portuguese, the Dutch, and the English had for centuries but skirted Africa, occupying a harbour here, or a tiny settlement there, where their East Indian argosies could put in for shelter and to replenish their stores.

In the 'seventies this view began to change. France, encouraged by Bismarck, began to recoup herself for her loss of Alsace-Lorraine by enterprise in North Africa. Traders, too, of all nations came to realize that Africa contained something besides sand and savages. Algeria had proved full of minerals. Egypt was notoriously rich. Incredible discoveries of gold and diamonds were reported from the South. The native, too, though possessed of few riches of his own, was found to be at least a docile labourer who could produce a rich harvest in rubber, copper, and ivory. Then the fever of exploration under Stanley and Livingstone set in, and with it wild indignation at the horrors of the Arab slave trade. Africa, in fact, from a no man's land became a veritable Naboth's vineyard, which it was every one's duty to seize and humanize. In 1881 France annexed Tunis, the occupation of Egypt followed, and then all the powers began to peg their claims. A con-

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ference at Berlin in 1884 regularized the annexations, defined boundaries, promulgated rules about "effective occupation," and originated the famous phrase "spheres of influence," previously unknown to diplomacy.

By the end of the century practically the whole continent was divided up between the European powers. Three independent native foreign states alone were left—Abyssinia, Liberia, and Morocco. But part of African territory could not be considered as finally allotted. Certain of the European powers owning African soil were unstable in themselves, or were so weak that it was doubtful whether they could maintain law and order in their domains. Turkey, which owned Tripoli, was one such power. Portugal was another. King Leopold, who conducted the so-called Congo Free State, was a third.

In 1900, therefore, although Africa had been divided between admittedly sovereign states, the occasion of dispute had by no means disappeared. Steps have since been taken to eliminate some of these stumbling blocks to peace. England, France and Italy, the neighbours of Abyssinia, have agreed to deal with its affairs, if intervention becomes necessary, by friendly agreement. The Congo Free State has become Belgian property, and there now seems no reason to suppose that Belgium will not be able to administer it well and justly in the future. And America, England and France have tried to assist the Liberian republic to reform its finances and its government.

There remain Tripoli, Morocco and the Portuguese possessions, and these are precisely the territories concerned in the recent crisis. Morocco has been coveted by France for many years. She has wanted to annex it, not only for itself, but to round off her North African possessions into a compact Empire, and to forestall any other first-class European power from obtaining a footing there. The unrest and disorder in the country had long pointed to the eventual necessity for European control, but during the whole of the nineteenth century England and

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Spain have stood across the path of her ambitions. The ownership of the soil across the straits of Gibraltar and commanding the entry to the Mediterranean is a matter vitally affecting the sea power of England. And Morocco is the natural sphere for the expansion of Spain, in the north of which, too, she has long had traditional rights. The Fashoda incident, however, brought home to England and France the dangers which lurked in unsettled territorial disputes, and shortly afterwards they came to an agreement about their respective spheres in North Africa. France declared the Sudan to be a British sphere. England agreed that the rest of North Africa, except Morocco, Liberia, and the territories already belonging to European powers, should be a French sphere.

This step alarmed Italy, which for long had regarded itself as Turkey's heir in Tripoli. Accordingly an agreement was signed in 1900 between France and Italy, by which Italy gave its countenance to French political aspirations in Morocco in return for France's countenance to Italy's aspirations in Tripoli, on the understanding that neither power should take the initiative without the consent of the other, or until the *status quo* in Morocco or Tripoli, or in the Mediterranean, had altered. Great Britain is supposed to have also given her tacit consent to Italy's claim to the reversionary rights in Tripoli. The Fashoda understanding also awoke Germany to the necessity of bestirring herself. She had been somewhat unfortunate in her colonial enterprises. Her two chief colonies, German South-west Africa and German East Africa had no hinterlands, and she had agreed upon a boundary to the German Kamerun, which gave to France the whole hinterland of that territory. Thus during the last years of the nineteenth century, while the British and French empires spread automatically across North Africa, under the necessity for the maintenance of law and order on the frontiers, Germany's possessions did not increase at all. When, therefore, the Anglo-French-Italian understandings about North

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Africa were made known, Germany realized that she had to move at once if she was to share in what remained undisposed of African soil. Under the Anglo-French agreement only one part of North Africa, Morocco, was not allotted as a sphere of influence to one power or other, and the Germans began to consider how they could get a share of it.

Fortune favoured them to begin with. M. Delcassé, still smarting under the Fashoda rebuff, was planning a partition of Morocco behind England's back. It was clearly impossible for France to obtain all Morocco, even if she shared part of it with Spain. The co-operation of some other great power was essential. If France, Spain and Germany, with the assent of Italy, agreed upon partition, England would probably be unable to resist them. Accordingly, after negotiating with Spain in 1902 a secret treaty defining the French and Spanish spheres in Morocco, M. Delcassé opened negotiations with the German Government about their side of the bargain.

But before a conclusion was reached there was a sudden change in the situation. The growth in the German armaments and pretensions, had profoundly alarmed not only the English Government, but Germany's neighbours, and had compelled them to discuss how they were to resist the growing German menace. The condition of Europe pointed to the necessity for an understanding between England and France. At the same time the Spaniards backed out of the treaty of 1902. This made M. Delcassé's original Morocco scheme impracticable, and he abandoned the idea of partition. Moreover, a free hand in the whole of Morocco could probably be purchased from England by the surrender of claims in Egypt which were of small real value to France, but a grave handicap to the British administration. Accordingly, in 1904, as the first outcome of the growing *entente* was published the Anglo-French agreement, by which the French recognized the position of England in Egypt, and the British Government, in view

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of the declaration of the French Government that it had "no intention of altering the political status of Morocco," agreed that it "appertained" to France, as a neighbour, to "preserve order" in Morocco, and "to provide assistance for the purpose of all administrative, economic, financial and military reforms which it may require." It further agreed "not to obstruct the action taken by France for this purpose," provided existing British rights were preserved. At the same time France signed a new treaty with Spain defining their respective spheres in the event of the disappearance of Moroccan independence.

As may be imagined, this news provoked great indignation in Germany. The Germans suddenly found that the political future of Morocco had been settled behind their backs, and in a manner which seemed to promise everything to France and nothing to themselves. With some justice they inquired by what right England and France thus settled, for their own benefit, the affairs of the whole of North Africa, and they resolved to take the first opportunity of recovering what they regarded as their rights. The first step was to force the resignation of M. Delcassé. This did little except damage Germany's reputation, and heighten the suspicion in which she was held. But the opportunity to recover lost ground in Morocco came in the following year, when the battle of Mukden relieved her of all anxiety of attack on her Eastern frontier. Three weeks later the Kaiser landed at Tangier and declared that the maintenance of the independence of the Sultan, and the integrity of his dominions, was a German interest. In other words, that Germany had as good a status in Morocco as anybody else, and was not going to be deprived of her rights by collusion between other powers.

This declaration was obviously inconsistent with the Anglo-French and French-Spanish treaties of 1904, which contemplated the eventual partition of Morocco between France and Spain. After a period of acute tension the dispute was settled by the Act drawn up by the Con-

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ference at Algeiras. In theory the Act was a vindication of the German case. For it provided for the future of Morocco on the "three-fold principles of the sovereignty and independence of His Majesty the Sultan, the integrity of his dominions, and economic liberty without any inequality for the trade and commerce of all nations." Morocco, in fact, was internationalized, and all European powers bound themselves, by their signatures, to uphold the principle.

But in this, as in other attempts at internationalization, theory did not square with facts. Three very minor departures from the strict principles of neutrality in Morocco were made by the Conference, in respect of the police, the Customs, and the suppression of the arms traffic. A police force of from 2,000 to 2,500 natives was to be created to police her eight ports (not the interior) used by European traders. This force was to be commanded by a Swiss officer, but France and Spain were allowed to loan from 16 to 20 officers and from 30 to 40 N.C.O.'s to train the force for a period of five years. France and Spain were also admitted to have the right to enforce the rules for the suppression of the illicit arms traffic, and to enforce the Customs regulations along their Algerian and Riff frontiers.

But these provisions, legally insignificant, coupled with the pressure of the facts, were sufficient to upset completely the Algeiras Act within five years. On one plea or another France and Spain by the beginning of the present year had managed to occupy a third of the Sultan's dominions with some 100,000 men, and Morocco was financially bonded to France for about £8,000,000 on terms which it would almost certainly be unable to fulfil. A few months later a strong French force had occupied Fez.

The Algeiras Act was clearly waste paper. We need not pause to determine how far French and Spanish intervention was a necessity born of misrule and disorder in Morocco, and how far it was their policy deliberately pursued from the

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beginning. Both causes were unquestionably at work. That the French and the Spaniards never expected, if they even intended, that the Algeciras Act would succeed is proved by the fact that directly after the Act was signed the earlier treaty of 1904 was renewed in substantially its original form.

Germans had naturally grown very restive as the gradual absorption of Morocco by France and Spain went steadily forward under their very eyes, and, in the teeth of the Algeciras Act. They were further exasperated by the undoubted fact that the French used their influence with the Sultan to impede German commercial and mining enterprises in Morocco. This, indeed, was inevitable, so long as the future of Morocco was in doubt. For France was bent on establishing her political predominance in the country, and the creation of every new German interest was certain to make her project more difficult to achieve. An attempt therefore was made in 1909 to come to an amicable arrangement. As Prince Bulow said in the Reichstag, the new policy was "to put co-operation in the opening up of the country in place of mutual hostility." Accordingly an agreement was signed "to facilitate the execution of the Act of Algeciras," by which France, "wholly attached to the integrity and independence of the Sherefian Empire," pledged herself "not to impede German commercial and industrial interests in Morocco," and Germany, "pursuing only economic interests," recognized that France possessed "special political interests" in Morocco which were "closely bound up with the consolidation of order and internal peace" in that country. This agreement relieved the tension of Franco-German relations for a time. But the obstruction of German economic interests continued, and finally the occupation of Fez and the report that the French had secured from the Sultan a secret treaty by which they were to take charge of the defensive arrangements and of the internal organization of Morocco, created, as the Germans said, an entirely new situation, by destroying the Alge-

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ciras Act in the eyes of all the world. An acrimonious press dispute began over the meaning of the 1909 treaty. The French contended that, like the 1904 agreement with England, it gave France a free hand in Morocco, that Germany was breaking faith in protesting against the Fez expedition and its consequences, and that in any case their presence in Fez was not a breach of the Act of Algeciras, because it was requested by the Sultan. The Germans replied that the agreement of 1909 did not supersede the Algeciras Act, that it explicitly provided for the continued integrity of Morocco, and that it was a farce to pretend that the Sultan was a free agent and had invited the French to occupy his country of his own accord.

There was reason on both sides, for the 1909 agreement, as is usual with such diplomatic instruments, left many important points vague. It did not invalidate the Algeciras Act, because it had not the power to do so, yet it obviously was not consistent with the spirit of it. It was a tacit admission that internationalization had failed—largely, perhaps, because France had always intended that it should fail—but it never conceded the right to France to annex the country. The real question still remained for settlement. Now that it was clearly impossible to bolster up the Sultan as an independent sovereign any longer, what were the terms on which Germany would agree to the establishment of a French protectorate? England had been paid by France in Egypt, Spain by the partition treaties of 1904 and 1906, Italy in Tripoli. What was Germany to get? The French recognized perfectly well that this was the real point at issue, for so long ago as June last the Monis Cabinet had put forward as a suggestion "compensation" in the Congo region.

But the French are the most expert diplomats in the world. The negotiations dragged on, though the French remained in Fez. All the other powers acquiesced, as they had long ago given their consent, and it seemed impossible to bring the French to the issue. Yet with every day's delay their position grew stronger in the eyes of the world,

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and Germany's prospects faded. How was Germany to act? Was she to allow the correspondence to wander on until France and Spain had divided the country between them and almost acquired a prescriptive title? Was she to appeal to the good offices of powers which were all under treaty obligations to France, and ask them to press her Government to recognize the German claims? Or was she to make it quite clear to France that Germany was not to be trifled with; and if so by what means was she to do it, by polite but firm pronouncements, or by brandishing the mailed fist? The German Foreign Office, supported by practically the whole press, official and unofficial, chose the last alternative, and hence the appearance of the "Panther" off Agadir.

So far as the partition of Africa is concerned, that is the whole explanation of the Agadir incident. Herr von Kiderlen Waechter is reported to have described it as a method of "facilitating" the negotiations with France. The German ambassador in London explained that it was obviously nothing else, because the "Panther" was "only a little one," and because no landing had been made—a mere shot across the bows, in no sense an act of war. And the French understood this, too. There was no excitement in France or its press in the early weeks of July. There was much uneasiness about what might follow, and much talk about German bad manners. But this purpose of the Agadir incident was quite clearly understood.

The dispatch of the "Panther" achieved its object. The negotiations came to a head at once. What did Germany expect to get out of France? There is no reason to suppose that Germany ever seriously contemplated acquiring any part of Morocco. Such a step would have provoked the hostility of England, would have meant perpetual friction with France and Spain, and the German fragment of Morocco would certainly not have been of sufficient value to compensate for these disadvantages. Besides, as the Chancellor said, the German Government regarded itself as

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debarred from territorial aspirations in Morocco by the treaty of 1909, though it in no way precluded them from demanding "compensation" if France was going to take Morocco for herself. Finally, provided the open door for German trade in Morocco could be effectively guaranteed, Germany's interests lay in obtaining "compensation" elsewhere. For reasons which will appear later Germany's future is largely bound up with the rapid economic development of backward countries like Africa and Asia as sources of supply of raw materials and as markets for her manufactures. Now it is obviously Germany's interest that she should control as much of this undeveloped territory as possible, because ownership carries with it certain trading advantages, and because in no other way can she be certain of keeping the markets open to her own people. The Germans, therefore, like the Monis Cabinet, considered that the best solution was that France should consolidate and round off her Empire in North-west Africa and that Germany should extend her territories in Central Africa. This plan had the additional advantage from the German point of view, that it opened up the possibility of further peaceful expansion in the future. The ultimate future of the Belgian Congo, and of the Portuguese territories, is at least doubtful, and if the present régime in either collapsed Germany—once established as the paramount power in West Central Africa—would naturally gain the lion's share of their lands. This possibility has long been contemplated, for in 1898 a secret treaty—which may no longer be operative—was signed between Germany and England which, broadly speaking, provided that if the Portuguese Empire disappeared Germany was to take Angola and Great Britain Mozambique.

But the realization of this scheme rendered the acquisition of the French Congo by Germany practically a necessity. For the French Congo lay between the German Kamerun and both the Belgian Congo and the Portuguese colony of Angola. Accordingly Germany proposed that in return for a free hand in Morocco France should hand

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over the French Congo and her reversionary rights over the Belgian Congo, and in order to make this bargain more attractive offered to cede to France the German colony of Togoland—a slice of territory wedged between the French colony of Dahomey and the British Gold Coast.

There was clearly nothing wildly outrageous in these proposals. They were greedy, no doubt, but they had the two great advantages that they were likely to promote peace and progress in Africa by eliminating political and tariff boundaries, and that they did not manifestly conflict with the territorial interests of any other great power. But at this moment the whole situation was changed by Mr Lloyd George's speech, made the day after the publication of the German proposals. This speech threatened war, in certain eventualities, which were not precisely specified. The effect in Germany and on the negotiations was electric. The issue became, as the *Cologne Gazette*, said, a "machtfrage," a question of might, to be settled by the relative strength of France and England on one side and Germany on the other, not by the test of reason and fair play. As *Le Temps* explained, a simple matter of business complicated on the French side by unfortunate delays, and on the German side by characteristic bad manners, had, by the action of the British Government, been turned into a first class European crisis.

Why was this? What had happened between July 1 and July 21st to bring about the change? We can only answer these questions in the light of the history of the second international problem involved at Agadir, the rivalry of England and Germany.

II

THE explanation of Anglo-German antagonism, as of most international crises, is to be sought not so much in the true facts of the case, as in the interpretation which is put upon these facts by the two parties concerned. We need not, with the French, be so logical as to believe that

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“tout comprendre, c'est tout pardonner,” and that the whole dispute is about nothing; but we must allow that ignorance and suspicion inflame the passions of nations as they inflame the passions of men. What, therefore, do ordinary well-informed people in both countries believe about the proceedings and intentions of the other, as evidenced by the history of the past and culminating in the recent crisis?

To the inhabitants of the British Empire the central fact in the last fifty years of European history has been the emergence of Germany as the strongest military power on the Continent. Prior to 1866-71 Germany—which then included Austria—consisted of a large number of kingdoms and principalities, nominally united in a Germanic confederation, but, in fact, independent states. These states, which, before Napoleon, numbered more than 100, and afterwards varied between 25 and 40, were perpetually quarrelling, and often at war one with the other. This disunion not only produced a disastrous effect on the country itself, it practically nullified the influence of the German people in Europe, and what little influence they might otherwise have possessed was further diminished by the endless rivalry within Germany of Prussia and Austria. It was France and Russia who then dominated Europe. And it was their deliberate policy—especially France's—to encourage the disunion of Germany, in order that their own predominance should not be impaired.

The ideal of a united Germany, not only as the method of giving peace and prosperity to Germany, but of restoring to its people true freedom and their proper place among nations, had long haunted its leading men. Attempts to bring it about were frequent but were usually promoted by liberal reformers who hoped to unite Germany and introduce democracy at the same time. These were checked, one and all, by the steady resistance of the princes of Germany, reinforced by the opposition of Prussia and Austria. In the early sixties, however, Bismarck appeared upon the scene.

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Long experience had proved to him the hopeless incapacity of the Germanic Diet, and that union was the indispensable preliminary to internal peace and progress. Bismarck also made up his mind that German union was to be achieved "not by speeches and Parliamentary resolutions, but by blood and iron," and at the price of expelling Austria from Germany. Whether he was right in his belief that unity could be won in no other way may be questioned, but in six years he proved that his method was at least a practical method, for by 1871 the union of Germany was an accomplished fact.

Union was a boon which was well worth the price in life, suffering, and material loss which Germany had to pay. It gave her, for the first time, internal peace. It gave her a strong and stable Government, and the conditions in which her people could reap the harvest of their labours. It gave her, too, a position in Europe which had previously been hopelessly beyond her reach. We have, indeed, scarcely yet adjusted ourselves to the change. Central Europe, instead of being a welter of disorder and confusion, became in a few short years an immensely strong military power. France, shorn of part of her territory, had instantly to abandon her long practised policy of manœuvring the potentates of central Europe in her own interest, and to turn to Africa as a field for her activity. Russia was forced to recoil on India and the Far East. Austria and the new state of Italy bowed deferentially before the German will.

This dramatic appearance of a new world-power in mid-Europe, however, did not begin to affect the outside world for a while. Germany required time to set her house in order, and Bismarck considered the friendship of England essential to the peace and security of his country. But in the early 'nineties, with the disappearance of Bismarck a change set in. The Germans, led by their youthful Kaiser, began to aspire to play the same part in the outside world that they had acted with such surprising success in Europe. Filled with the ambitions natural to a young people, they

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followed eagerly the allurements of *welt-politik*. There was, of course, sound justification for the more moderate of their aspirations. Under union, Germany's population and industry were increasing at a prodigious rate. Formerly millions had emigrated to strengthen Germany's British and American rivals. Owing to her industrial activity she was now able to absorb them at home, but it still seemed inevitable that the day must come when she would require colonies, if her children were not to be lost to Germany once more. In any case the growing necessity for foreign markets made it imperative that German influence and trade should make its way wherever business was to be done.

But the German ambition seemed to extend much further. Mised, perhaps, by the ease with which they had gained the supremacy of Europe, forgetful that their success was remarkable mainly because through their own jealousies it was so long overdue, they overrated their own strength and belittled the power of other peoples. They spoke of themselves as the people of destiny, whose century was the twentieth, and they talked as if it was their right, as the favourites of fortune, to achieve their destiny by destroying all who would not make way. In particular the British Empire must go. It lay across their path, and its possessions were Germany's destined heritage. It was not that the Germans hated the British, it was that their own future was inconsistent with the continuance of the British Empire. Fortunately there was no doubt about the issue. The Empire was the "colossus with the feet of clay." It would crumble at the first encounter with the prowess of the new power. And this doctrine, which held up England as "the enemy," was sedulously preached not on a few platforms only, but in almost every German school, and after a generation became the creed of the ordinary man.

But the Germans, mindful of the lessons of 1870, realized that aspirations count for little without power at their

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back. If it was the German sword which had won their predominance in Europe, if it was the British navy which had gained England her Empire, and kept it together, Germany must also have a navy if she was to protect her commerce and her traders and prosecute her designs abroad. As the Kaiser said, "a prosperous development of the Fatherland is not conceivable without a continuous reinforcement of its sea power." Unfortunately, however, the circumstances under which the union had been brought about had set in motion a very powerful diplomatic tradition. National triumphs, according to the Bismarckian formula, were won not by speeches and resolutions, but by blood and iron. Germany's place in the outside world, therefore, like her place in Europe, was to be won by the sword. There were to be no more attempts to settle the world's affairs by means of congresses and pious resolutions. If Germany was strong enough, and resolute enough, she could promote her interests far better by demanding roughly the concessions she required as the alternative to annihilating defeat, than by round table discussions.

These manifold effects of union, the real need for expansion and a navy, the exaggerated notions of the German people about their future, their resolution to achieve their destiny, whatever it might cost to older and effete races, and the truculent methods of their diplomacy, did not make themselves felt in England till the later 'nineties. Then it was that the British began to detect not only the natural growth of German influence in the world, but a steady hostility to themselves in German diplomacy. In 1896 the Kaiser sent his famous telegram to President Kruger, and the independence of the Transvaal, with which Germany had no sort of concern, was declared to be a German interest. During the South African War the first of the great German Navy Bills was floated on a terrific orgie of Anglophobia, and the Kaiser referred ominously to Germany's "bitter need" for a fleet. The difficulties of England in bringing the South African War

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to a close, and the belief to which it gave rise that the British were a "tired" race, and were no longer entitled to the pride of place in world politics which they had held so long, seemed to inflame the ambition of Germany. The efforts of the Campbell Bannerman Government to stem the growth of armaments by reducing the British Naval Estimates, were interpreted as final proof that Britain was in her dotage, and that the day of the German triumph was at hand. The 1906 and 1908 Navy Bills, which, as Sir Edward Grey said, provided with the earlier law for a fleet "greater than any now in existence," was the German answer to these friendly advances—an answer hailed in Germany as the final stroke in the knell of England's greatness.

The evidence, indeed, seemed overwhelming. What other purpose could Germany have in building such a fleet but the overthrow of the British Empire? Scepticism turned to credulity, and England was deluged with war scares and invasion bogies, designed to frighten its people into spending enough to rescue their Empire from the manifestly impending disaster. That these were successful is witnessed by the vast Naval Budgets of the past few years, the activity of the campaign for universal military service, and the creation of entirely new naval and military forces in the Dominions. But not only have the British public been convinced that Germany's aims threatened the safety of the Empire, and that she intended ruthlessly to extract from weaker powers whatever she thought she needed for her future, but all her neighbours, not her allies, have come to believe that their safety was endangered by German ambitions. As a result the triple *entente* has come into being, which is anti-German in the sense that it is meant to guarantee that none of the parties shall be mulcted by the merciless diplomacy of Germany. And the *entente* has grown stronger with age because events have only served to confirm the belief in the hostility and danger of Germany's aims and policy. The demands on Britain

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and France which led to the resignation of M. Delcassé, the "brilliant second" episode at Algeciras, the ultimatum to Russia after the Bosnian crisis, and the boasting about "shining armour" afterwards, the unnecessary and exasperating trespassing of the German fleet in Danish and Scandinavian home waters, and a hundred and one minor episodes, combined with every official and semi-official utterance about the principles which govern German diplomacy, point irresistibly to the conclusion that Germany trusts to her strength alone in every case where her interests are involved. Her method of looking after her own affairs seems to be to keep people alive to the penalties of provoking her resentment, by constantly brandishing the German sword. Fear and apprehension indeed are wholesome. They increase Germany's prestige, and make it easier for her to get her way without resort to war.

So much for the British view. How do the Germans interpret recent history? They say that the characteristic of British policy has always been an intense and vindictive jealousy of the second strongest power. It has been our instinctive object to destroy by force, or ring in by diplomatic combinations, the next power to ourselves on the sea, in order that we may secure and keep our predominant position at less cost and risk to ourselves. First it was Spain, then it was Holland. After Holland came France, and when we could not destroy her power by victory at sea alone, we organized Continental leagues and created diversions ourselves until she sank, in 1815, powerless for generations to threaten us. During the greater part of the nineteenth century, when there was no serious rival on the sea, our hostility was shared equally by France and Russia, neither of which had any real ability or intention of injuring us, but who, as the next strongest powers, had to be treated with suspicion. A designing enemy is as necessary to British policy as is a King to the British Constitution. Thus no sooner did the new European state prove, by its strength and activity, that it was going to become the second power

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in European waters, than a hue and cry was instantly raised, that these preparations were aimed at British supremacy, that Germany was the enemy, that she was a menace to the world, was in fact a mad dog, which it was the interest of all civilized powers to muzzle and chain up. And in pursuance of this policy—which the Germans regretfully admit was perfectly sound from the point of view of the self-interest of the Empire—the British have ringed Germany about with *ententes*, and have deliberately thwarted every effort she has made to promote her legitimate national interests in Europe or elsewhere.

This policy, say the Germans, is instinctive. If the Prussians are ambitious and designing bullies, the British are selfish and grasping hypocrites. For they manage to persuade themselves that not only are they justified in thus throttling their neighbours and keeping all the good things of the world for themselves, but that it is their duty to do so. Their view is exactly expressed by Mr Bernard Shaw in *The Man of Destiny*. "The English," he says, "are a race apart. Every Englishman is born with a certain miraculous power that makes him master of the world. When he wants a thing, he never tells himself that he wants it. He waits patiently until there comes into his mind, no one knows how, a burning conviction that it is his moral and religious duty to conquer those who have got the thing he wants. Then he becomes irresistible. Like the aristocrat, he does what pleases him and grabs what he covets; like the shopkeeper, he pursues his purpose with the industry and steadfastness that come from strong religious conviction and deep sense of moral responsibility. He is never at a loss for an effective moral attitude. As the great champion of freedom and national independence he conquers and annexes half the world, and calls it colonization. When he wants a new market for his adulterated Manchester goods he sends a missionary to teach the natives the Gospel of Peace. The natives kill the missionary,

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he flies to arms in defence of Christianity: fights for it, conquers for it, and takes the market as a reward from heaven. In defence of his island shores, he puts a chaplain on board the ship; nails a flag with a cross on it to his top-gallant mast, and sails to the ends of the earth, sinking and destroying all who dispute the empire of the seas with him." And, as the Germans add: in his capacity as peacemaker and reformer in ordinary to the world, he seizes a quarter of the earth, and resists and execrates every other power which tries to do the same, on the score that they are making it more expensive and difficult for him to discharge his obligations to Providence. "There is nothing," concludes Mr Shaw, "so bad or so good that you will not find Englishmen doing it; but you will never find an Englishman in the wrong. He does everything on principle. He fights you on patriotic principles; he robs you on business principles; he enslaves you on Imperial principles; he bullies you on manly principles; he supports his King on loyal principles; and cuts off his head on Republican principles. His watchword is always Duty; and he never forgets that the nation which lets its duty get on the opposite side to its interest is lost."

Now, though this statement bears little evidence of that attention to reality and historical fact on which Mr Shaw is so insistent in other spheres, it represents very fairly the German view of our national character, and for that matter of the character of the British Dominions and America. To behave like this, they say, is the Anglo-Saxon trait. Take the history, they add, of the last forty years, since Germany became a first-class power. In that time the British have seized by force Egypt and the Sudan, have annexed Burma and part of Siam, appropriated East Africa, Nigeria and Rhodesia, conquered the Transvaal and the Orange River Colony, have, with what right the Germans cannot understand, agreed to give the West of North Africa to a power they have ceased to fear, on condition of receiving the East for themselves, have

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entered into an alliance with a Yellow Power on terms which probably mean the partial dismemberment of China, and certainly mean the closed door in parts of the world previously open to the commerce of all nations.

The Germans do not blame the British for doing this. They recognize perfectly well that most of these acts were forced upon us by the circumstances in which we were placed, and that the justification is the necessity we are under of preserving the unity and peace of the Empire. What they protest against is the view, which they declare we hold, that our sacred rights and obligations as a great power justify us in completely disregarding the equally sacred rights and obligations of other great nations, and of Germany in particular. During the last forty years, while the British Empire has thus been expanding all over the world by force of arms, Germany has kept the peace unbroken in Europe, has only fought once abroad in the Herero rising, and has acquired by peaceful means three moderate slices of Africa, some insignificant islands in the Pacific, and a coaling station in China. Whatever her diplomatic manners may be like, what proof, they ask, does this record afford of that Machiavellian policy with which she is credited? Yet everywhere Germany is opposed by England. An *entente* is created to tie her hands in Europe. Her attempts to develop her trade and interests in Asia Minor, by means of the Bagdad Railway, are persistently, if secretly, obstructed. Her attentions to Turkey are branded as an attack on England. The cry "hands off" is raised amid transports of virtuous indignation directly she thinks of acquiring a naval base or coaling station in Africa or the Pacific. Her traders and explorers, and concession seekers, are everywhere treated as if they were the emissaries of a foreign power bent on undermining the British Empire by diabolical intrigue, if not by force. Germany cannot buy a horse in Ireland, nor lay a line of railway in China, nor trade with the Persians, nor land a waiter in England, without being suspected of

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deep and devilish designs. And if, they add, it comes to the question of which nation trusts most implicitly in the use of force to protect or promote its interests, must not the verdict go to the power which for two centuries has maintained as an inviolable principle, the two-power navy—that is, the forcible application of the Monroe doctrine to the sea.

No, conclude the Germans, the facts speak for themselves. The history of the last forty years is an unanswerable proof that it has been the deliberate policy of England to obstruct jealously the growth of Germany, in order that her own preponderance may not be impaired, or be made more difficult or more expensive to maintain. And this history, they add, is also the final justification for any and every German attempt to escape from the ring in which England has now encircled her, whether it be by diplomacy or by force.

It is now possible, in the light both of the earlier facts of the case, and of these explanations of the present temper of public opinion in England and Germany, to form a fairly good idea of the real nature of the Moroccan crisis.

The dispatch of the "Panther" to Agadir was regarded in England, as in most of the rest of the world, as but another proof of Germany's high handed diplomacy. Germany obviously intended to use her superior strength to compel France to accept much the worst of the bargain. She meant to levy blackmail. This view was confirmed in Great Britain by the general belief that in the Franco-German treaty of 1909, Germany had agreed to the eventual establishment of a French Protectorate in Morocco. This was not strictly the case, as we have seen, but the belief that it was, fostered by the fact that the French Press naturally made the most of this interpretation in their controversy with the German Press, made British opinion all the more convinced that Germany was entirely unjustified in reopening a settled dispute in this violent way. To the British the Agadir incident was an intimation that the

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dispute was to be settled according to the relative strength of the two powers, and not upon the merits of the case.

They further believed that the incident was intended to break up the *entente*. The opportunity was favourable. There had been a marked improvement in Anglo-German relations in the preceding months, the Kaiser and the Crown Prince had been given a most cordial reception on their recent visits to London, the British Government was apparently profoundly embarrassed and the country preoccupied by the constitutional crisis and by railway and other transportation strikes. England, indeed, was obviously anxious to be friendly and to avoid complications of all kinds. France, on the other hand, as the Delcassé incident had proved, was not capable of resisting by herself strong pressure by the mailed fist. What if Germany were to squeeze her to concede, not outrageous demands, but more than she would voluntarily grant? England would not interfere, provided the demands were not manifestly blackmail, and France would have to give way. And would not that be the end of the *entente*? For a diplomatic combination designed to protect the parties from being squeezed by Germany obviously could not survive, if in spite of it, Germany could compel one of the parties to comply with her demands. Would not a successful coup at Agadir be followed, like the Bosnian ultimatum to Russia, by new Potsdam interviews between France and Germany? And then the ring would be broken. France would see the disadvantage of being opposed to Germany, and would range herself with the Triple Alliance in place of the Triple Entente, England would be isolated, Germany would be on the high road to an African Empire and to the first place in the world. It was a great plan.

Such was the British interpretation, and there is little doubt that on the whole it was true. From the German point of view, as the enthusiastic plaudits of the whole nation showed, the game was unquestionably worth the candle.

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Mr Asquith showed that the British Government took this view as early as July 6, when he said, "I wish it to be clearly understood that His Majesty's Government consider that a new situation has arisen in Morocco, in which it is possible that future developments may affect British interests more directly than has hitherto been the case. I am confident that diplomatic discussion will find a solution, and in the part that we shall take in it we shall have due regard to the protection of those interests and to the fulfilment of our treaty obligations with France." What happened afterwards has not, and probably will not, be made public in all its details. But the substance is perfectly clear. The German Foreign Office in one way or another intimated that the Moroccan affair was a matter which affected France and Germany alone, and that the British Government must be no party to the negotiations, in other words, that it was not to fulfil the obligation of the *entente* by supporting France in resisting excessive demands.

Then came the presentation of the demands themselves. They were greater than France was willing to concede. The crisis had arisen—was the *entente* a reality or was it a farce? The British Cabinet, and the whole nation were far too profoundly convinced of the danger to the Empire of German designs to be willing to dispense with the *entente* with France. Their answer, given the day following the publication of Germany's demands, was clear even to the point of being unnecessarily dramatic. Mr Lloyd George in a public speech said, "If a situation were to be forced upon us in which peace could only be preserved by the surrender of the great and beneficent position Britain has won by centuries of heroism and achievement, by allowing Britain to be treated, where her interests are vitally affected, as if she were of no account in the Cabinet of nations, then I say emphatically that peace at that price would be a humiliation intolerable for a great country like ourselves to endure." A few days later Mr Asquith, supported by all parties in the House,

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defined the position with more precision. Conversations, he said, were proceeding between France and Germany, to which England was not a party. England did not in any way wish to prejudice the issue of these negotiations or to interfere with "territorial arrangements considered reasonable by those more directly interested." "But we have thought it right from the beginning to make it clear that failing a settlement such as I have indicated (i.e., honourable and satisfactory to both parties) we must become an active party to discussion of the situation. That is our right as a signatory to the Act of Algeciras; it might be an obligation under the terms of our agreement of 1904 with France; it might be our duty in defence of British interests directly affected by further developments."

Nothing could be plainer. The Agadir coup had failed, the *entente* was firmer than ever, Germany had to give way unless she was ready to enforce her will by war. And this she never contemplated doing. Russia declared her intention of supporting the other *entente* powers. Austria and Italy explained that they were unconcerned with a colonial quarrel. Germany had no alternative but to abate her claims and make the best bargain she could. This naturally took some time, and for a week or two nobody knew whether there would be war or not, and made preparations accordingly. In point of fact there was never any serious risk of it.

But if the Moroccan crisis has served to enhance British suspicions and distrust of German aims and methods, it has had a precisely equivalent effect in Germany. The whole episode, and especially the phrasing of Mr Lloyd George's speech, have confirmed exactly the German view that England's policy is governed by a selfish and jealous hatred of Germany. Why else should England intervene in a private negotiation between France and Germany about an exchange of territory in Africa, with a threat of war? Was it not proved by the hectoring excuse that the conclusion of any international settlement without her consent

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would be an "intolerable humiliation" for England, though German protests against the partition of North Africa, much of it no-man's land, between England and France in 1904, were an unwarranted German interference, and evidence of Germany's hostile designs? And was it not proved still more by the real reason of British interference—the desire to maintain an *entente* whose true object was not self-protection but to throttle German expansion, by buying the adhesion of the lesser powers, by allowing them to take for themselves what Germany can lawfully claim for herself? As every German exclaimed, "We always suspected that England meant to starve us into weakness. Now we know it."

The Morocco crisis, therefore, has produced an explosion of anger against the British in Germany. The Germans have been forced to retreat, France has obtained a far better bargain than she expected, and the anti-German policy of England has been finally exposed. And, rightly enough on their explanation of the facts, the Germans conclude that the only course is to increase their navy to such a point that England will be frightened to intervene to deprive her of her just rights in the future. Indeed a weak German Government would have found it extremely difficult to avoid war during the recent crisis, if Germany had had any real chance of victory. Public opinion and the Army and Navy were red hot with indignation, as the recent debates in the Reichstag and the Crown Prince incidents prove. It is well that the Liberal Government did not carry its disarmament proposals any further in 1907. The British Empire is at peace to-day not because of the justness of its case, but because its fleet was strong and its army prepared.

III

IT is quite clear that the recent crisis has been produced by the deep rooted suspicion which each country entertains of the policy and ambitions of the other. The British would not have judged the dispatch of the

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“Panther” to Agadir as they did, and would not have threatened war, unless they had believed that Germany intended to squeeze France unmercifully if she had the chance, as the prelude to a similar enterprise at some later time against the British Empire. The Germans would not have interpreted British action and Mr Lloyd George’s speech as they did, unless they had believed that the British object was to deprive them of their proper place in the world and rob them of their legitimate rights in Africa and elsewhere. And, as is usual in such circumstances, neither side examines the facts of the case closely—the British, for instance, have made few allowances for Germany’s legitimate rights as against France, and the Germans have by this time entirely forgotten that their Agadir policy was far more than a negotiation about an exchange of territory, because it was an attack on the *entente* which, whether it be justified or not, Britain was bound to resist in her own self-defence. In consequence, bitter feelings predominate, with the sole result that the danger of war is increased, and the expenditure in armaments is likely to be increased (in our case by twice as much as Germany’s), while neither nation is one whit safer nor one whit stronger as against the other than before.

The vital question, therefore, is, are these mutual suspicions, which produce these dangerous and expensive effects, really justified, are they founded on fact, or are they bogies of an ignorant imagination? If they can be proved to the satisfaction of both sides to be in part at least groundless, mutual relations will improve, peace will be better assured, and economy easier to attain. If they can be proved to rest on real facts, we shall know what to expect, what preparations we must make in self defence, and whether war is inevitable.

The first necessity is to determine where the real, as opposed to the fancied, interests of the British Empire and Germany lie. In both countries it is possible to find, and indeed impossible not to hear, people who cherish

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extravagant ambitions for their own country, and still more extravagant fears about the ambitions of other countries. No inhabitant of the British Empire, for instance, will hesitate to say that Germany's interpretation of British policy and aims is a grotesque distortion of the facts, and that the British do not, as vast numbers of Germans believe, lie awake at night thinking how they may cripple and starve their young rival into dependence upon themselves. In the following estimate of the real position, therefore, the views of the extremists will be ignored, and an attempt will be made to estimate the true facts and ideals on either side, which, because they are based on reality are bound to prevail in the end over all the theories and schemes of ingenious brains. The war cries of the extremists and the terrors of the ignorant are factors which at times may be decisive, and which in deciding immediate policy and preparations it is impossible to ignore, but for a sober judgement of the permanent interests of the two countries one must trust to the balanced opinions of men of experience, practised in affairs, and familiar with the facts.

The fundamental need of Germany is expansion. She is a young, vigorous and rapidly growing power. Her population mounts by nearly a million a year, while her territory is small. Her manufacturing enterprises have far outgrown the capacity of the German people to supply the material they require, or to absorb the articles they produce. Yet they are still rapidly increasing. Somehow or other Germany must provide for the future of her population and of the industries which support them. But expansion means more than this. Germany has also to establish her place among the nations. To-day she may rate her claims too high. As against this the old possessors of place and privilege may not be anxious to make way for the upstart. Yet somehow or other Germany, if she has not already reached it, must find her way to the place in the counsels of the world to which she is entitled by the strength, the self-control, and the wisdom of her people.

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What does this imperative need of expansion imply? Does it mean that Germany requires a large addition of territory? There is to-day a great deal of misapprehension on this point even in Germany itself. First as to Europe. The best German opinion is strongly averse to a policy of further expansion on the Continent. Germany cannot afford to include any more non-German irredentist elements—Poles, Slavs, or French—within her borders. They are already a sufficient source of weakness and confusion. Even the eleven million Germans in Western Austria are far more valuable to Germany and to the influence of German ideals and culture, where they are than if they were within the Empire. They are a guarantee that the Austro-Hungarian Empire will be friendly to Germany, instead of a violently hostile Slav state. As the strongest, and most educated element in the Austrian Empire they mould the civilization of its more backward peoples, and in fact control, far more than their numbers warrant, the policy of the State. Moreover an immense access of the Catholic vote would upset German politics terribly and destroy the preponderance of Prussia. Even though the Austrian Germans cannot be used to support a forward German policy, they are an invaluable rearguard. Pan-Germanism is an Austrian rather than a German product. It is the same with Denmark and Holland. They also are more use to Germany as they are. They are, so to speak, insulating cushions which absorb the shock of her contact with Russia and England. Moreover though Germany might be in a stronger position to attack if she annexed them, she also would be more vulnerable. The control of the mouths of the Rhine by Holland is an invaluable protection of German trade and commerce in time of war. In the last resort if their annexation became vital to her safety, Germany is in a better position to take them than anybody else. She need not seize them at once to provide against being forestalled.

Germany, therefore, say thoughtful Germans, does not

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plan to seize territory in Europe. Some day circumstances may force Germany to take action. If a European Armageddon occurred she would doubtless have to rearrange her frontiers, and as such a catastrophe is always possible, she has made preparations against it, as other powers have to do. But that she dreams of forcing on a war, or a situation likely to lead to war, in order to expand in Europe is an illusion born of panic. Her real interests lie the other way.

Territorial expansion beyond Europe is another matter. It may take two forms—the acquisition of true colonies—that is, territory fit for white settlement, like Canada or South Africa, or the acquisition of dependencies like India or Nigeria, and coaling stations or naval bases like Gibraltar or Aden, where white settlement on a large scale is out of the question. As to the first, Germans who have thought at all about the subject acknowledge frankly that they would like to possess large areas suitable for colonization. They would look well on the map, they would give Germany a status and prestige in remote parts she can get in no other way, they might be profitable commercially, they might even be a source of strength to the motherland. But, they sorrowfully admit, it is hopelessly impracticable for Germany to think of acquiring such colonies. Not only are all parts of the world fit for white colonization on a large scale already part of the British Empire or in the hands of independent powers, but every one of them is peopled by a white community which would fight to the death rather than accept the German flag. They might be conquered and their territory annexed, but what profit would Germany gain—the doubtful glory of depriving a civilized community of its liberty, and the certain necessity of spending immense sums in cowering them into submission. Such colonies would be no source of strength to Germany. And if she had them how is she to compel her people to migrate to them?

No, however she may regret it, Germany knows that

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the creation of a Colonial Empire like that of England is an unrealizable dream. It was a vision in the ignorant days of the early 'nineties. It is now rapidly retreating to the limbo of abandoned hopes. And it has vanished from the minds of practical men all the more easily because there is an alternative which is at least as attractive, which is practical, and which may prove in the long run to be more profitable. Colonies, if impressive to the imagination and on the map, are at least a doubtful benefit to the motherland. They drain it of its population, yet they contribute nothing to its revenues; they increase the burden of defence, yet when the time of strain comes they are inclined, so history teaches, to declare their neutrality and set up as independent powers. Is it not clearly better for Germany, if she can do so, to keep her population at home, to build up a state which will grow stronger year by year, and which will thus acquire an even greater influence in the world, at the expense of powers which have dissipated their energy and their population in illusory dreams of empire? And is not the policy all the more certainly the right one, as failure to provide for her increasing population at home, inevitably means that they will migrate to fortify her rivals of the British and American Empires, as they used to do in such numbers in the days before union had brought prosperity and peace to the fatherland? Interest and necessity, indeed, point to the same policy. How is it to be achieved? That is the sole question. And there is only one answer. If Germany is to provide for the natural increase of her population at home, she must find ever increasing markets abroad. Agriculture, assisted by science and chemistry, can give employment to some part of the increase, but the manufacturing industries are the only permanent and inexhaustible absorbent of nearly an additional million people a year. The fundamental national need of Germany, therefore, is not territorial expansion, but markets. If she can find raw materials for her industries, and markets for

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all the goods her people can produce, she will have achieved her new national policy of "keeping Germans happy and prosperous at home."

How is Germany to get the markets which are thus so vital to her future? At first she was able to do it by protecting her home market by a tariff. But her industries, after profiting enormously for a time, soon caught up with the demand, and clamoured for pastures new. Then they encountered a difficulty. It was found that their own duties, especially on agricultural produce, had heightened the cost of living and production in such a way that it prevented an equivalent rise in the consuming power of the home market, while it magnified the difficulties of successful competition abroad. The tariff, however, also had its advantages, for it enabled Germany to negotiate special treatment for her goods with other protectionist states. But before very long she began to find that there were limits to the expansion of her market in countries as highly industrialized as herself, especially when these countries used highly protective tariffs of their own, or threatened to apply them to markets long free trade.

So of late years in Germany, as in England and America, growing attention has been paid to the creation of entirely new markets. If only the energy of the numberless millions of China, India and Africa could be turned into profitable channels instead of being wasted in inter-tribal quarrels, in perverse and antiquated methods, or allowed to die away through being deprived of its legitimate reward, the problem of old and new countries alike would be solved. The backward peoples would produce the raw material and food required by Europe and America, and if properly educated and adequately paid, would rise rapidly in the scale of civilization, and consume in return the manufactured products of the white communities of the West. And this system, profitable to both, would last for a long time, for generations would pass before the backward

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aces could compete with the long civilized peoples in skilled trades or the use of machinery.

Germany, therefore, is now vitally interested in the future of the great neutral markets in Asia and elsewhere, and her policy in these places entirely coincides with that of other industrialized states like England and America. They are all in favour of the encouragement of the economic development of these countries and the elevation of their peoples, and of the maintenance of equality of treatment for the trade and industry of all nations. Every nation would, of course, like a privileged position in a vast potential market like China. But there are so many strong rivals in the field that no single nation can expect to oust the rest permanently by diplomacy or force, and constant intrigue for special treatment is inconsistent with that stability in economic conditions, which is vital to the investment of capital and the encouragement of commercial enterprise.

It is also Germany's interest to press for the application of the same principles in territories which are dependent on European powers. She is naturally afraid lest that the rest of the world follow the example of France and keep their dependencies a close preserve for their own people. France gives herself so great a tariff preference in such of her colonies as are free from international servitudes, as almost to exclude foreign commerce, and by restrictions on shipping, bonuses and so forth, practically confines the carrying trade between places like Algeria and France to French vessels. Further, by a narrow and shortsighted system of internal administration, which is objected to by all other nations, she has immensely retarded their development. The reason is clear. The population of France is stationary. Her manufacturing industries and her shipping companies are relatively few and weak. The maintenance of exclusive privileges in her colonies is all that is required to keep her enterprises prosperous. Rapid progress is not

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forced upon her, as it is on England and Germany, by the steady rise in the number of people requiring employment at home. She can, therefore, afford to allow the development of these countries to wait until French capital and French industry is ready to exploit them, and with this end in view she restricts and impedes the activities of all other peoples.

This is probably a shortsighted policy even in the French interest. The Germans, like the British, take the opposite view. They maintain the open door in all their colonies. They do more. They actively encourage the entry of foreign traders and capital. This is not altruism, but a shrewd calculation that the more people who are willing to start business and take risks in their colonies the sooner will these be producing the raw materials German industries require, and consuming the products German manufacturers create. The Germans see well enough that it pays them better to create a market worth £100,000 a year, and share it with another power, than to keep it to themselves, at the price of limiting its value to £20,000 a year.

But the example and interests of others do not always guide a nation's policy. Germany has no guarantee that the other powers which share Africa between them will not, like France, retard the development of markets in their dependencies and keep what profit there is to be made out of them to themselves. They have no guarantee that even England will not suddenly close the door to German commerce in India. Germany, therefore, is vitally interested in the dependencies of the European powers, for her national future may depend on the policy which is applied to them and the treatment which her trade and commerce receives in them. This vital interest of Germany can be safeguarded in only two ways. Either she must acquire dependencies of such extent that they will compensate her for exclusion from the dependencies of other powers. Or she must have adequate assurances that the vast

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markets of Africa and Asia will not be closed to her people, and the fruit of years of patient industry and investment suddenly snatched from her hands. Germany would unquestionably prefer to possess dependencies of her own. Her position would be safer, her prestige and influence in the outside world greater, and even with the open door she would reap the commercial advantage that comes from the fact that the government is in her own hands, that the official language is her own, and that the majority of the white inhabitants are her citizens. But a large dependent empire is not vital to Germany. It is certainly not worth Germany's while to go to war for the sake of dependencies of her own, if she can secure the open door in those of other people without resort to the sword. But if she is not to have large dependencies of her own a strong navy becomes an imperative necessity for the future of Germany. Germany's future, if she is to keep her people at home, is in pledge to foreign powers, so long as they can foster or destroy her trade with impunity. The only security the Germans can have that one day they will not wake up to find the investments of German capital and the employment of German workmen suddenly destroyed by the policy of other powers, is the knowledge that they are strong enough to compel foreign nations to respect German interests or indemnify her subjects against loss. War or the threat of it may not seem a good way of fostering business, but the lesson has not been lost on Germany that the British have found by two centuries of experience that a two-power standard is the best guarantee of their trade as well as of their safety.

Does this mean that Germany requires a fleet as big as that of the British Empire if she is to survive as a great power? Only if British policy affecting one quarter of the earth's surface, and enforced by her naval strength, is such as to threaten the economic future or liberty of Germany. If the British policy is to destroy Germany by ringing her in, and by throttling her industries to compel her popula-

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tion to flow away to other lands, Germany will be forced to rouse the world against the Empire or fight, for death by starvation is as bad as death by the sword. But so long as Germany can be assured that our policy does not threaten her existence she does not need supremacy of the sea. A fleet in the second rank will be enough for Germany as it is for other powers—a fleet, that is, which is strong enough to coerce backward and uncivilized powers, and, to quote the preamble of their own Navy Act, “of such strength that war, even against the mightiest naval power, would involve risks threatening the supremacy of that power.” For as the world is organized to-day, power is the only argument which is conclusive in international affairs. Without it no nation can expect its claims or its opinions to obtain the slightest consideration—as the Turks have found to their cost. Nothing but the power to make other nations uncomfortable or afraid will enable Germany, any more than England, to protect her rights or to gain that position of influence in the world which she can legitimately claim.

Does Germany need a supreme fleet in order to tyrannize over other peoples and force Germanism on the world? On any interpretation of her true interests there can be only one answer. Whatever the jingoes may say, no nation has won prosperity or happiness or greatness by wanton triumphs or by standing upon the necks of other peoples. A nation prospers and is content when its people are free to seek the best in life, not when they are fighting for a selfish profit. The noblest battles of history have been fought to secure peace and freedom, not to destroy them.

If these are Germany's real interests where do the British Empire's lie? Unlike Germany the nations of the Empire have no imperative need of expansion. Great Britain can see her population emigrating to the Dominions without feeling that her vital strength is ebbing away. The Dominions are clamouring for settlers, not seeking how they may keep their people at home. Great Britain, too, has in the Empire an immense market for her manu-

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factured goods and limitless sources for the supply of raw material. And the Dominions, when they reach the manufacturing stage, will be the fortunate heirs, through no prowess of their own, of the richest inheritance which it has ever been the good fortune of a people to enjoy. The paramount interest of the Empire, therefore, is not expansion, but to keep what it has and to enjoy it in peace.

As we have seen, the interests of England as a great commercial and manufacturing power, broadly speaking, coincide with that of Germany. She also is in favour of the open door in neutral countries. It is no less her policy in her own dependencies. And it is her policy there for political reasons, irrespective of economic considerations, which may well be disputed. It would be entirely inconsistent with her position as trustee for the subject peoples that England should manipulate the tariffs in India or the African dependencies for her private advantage. To abandon her time-honoured policy—the policy of administering the dependencies in their own interest—would be to abandon the political principles on which the whole Empire has been built up, and would do more to undermine the authority and prestige of the British name among the peoples of India and Africa than the fiercest autocracy or the most stringent repression of nationalist aims. She may well inaugurate a system of local protection if it proves to be beneficial to the development and civilization of the people. But to restrict their trading with foreign powers for the sake of the British manufactures would not only be unjust but would cut at the root of her Empire.

The policy of Imperial preference is undoubtedly inimical to German interests. But it is but an aspect of that protection which the Germans practise themselves, and is analogous to their own system of special commercial treaties between civilized powers. In any case, as the Germans now recognize, it is a matter affecting only the sovereign communities of the Empire and not one to which they can legitimately object.

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But the British Empire has one vital interest which distinguishes it from all other states. Supremacy by sea is not only necessary to its peace and safety, it is the very condition of its existence. Without a navy greater than any other, it is a mere agglomeration of powerless fragments. It has no certain communications between its parts. It has, *ipso facto*, ceased to exist. Other Empires have appendages across the sea. The vital limbs of the British Empire are separated by the sea. It cannot afford to allow any single power, or any probable combination of powers, to concentrate a navy which can herd its own off the oceans of the world.

Is it to the interest of England to ring Germany in, and throttle her trade and enterprise? If Germany aims at the supremacy of the sea in order that she may overshadow the Empire, it certainly is. But if Germany's ambitions can be reconciled, as these pages go to prove that they can be reconciled with the peace, freedom and prosperity of the Empire, it certainly is not. To attempt such a policy would be expensive, would involve constant danger of war, and would in the end be bound to fail. Provided the Empire is able to preserve its territories intact and to keep that preponderance at sea which is vital to its existence, it has no more reason to impede the growth of German trade and commerce than that of America. Indeed, half the wars of the Empire—against Spain, France and Napoleon—have been fought to maintain that very principle of freedom for commerce which Germany, as well as England, now upholds. The idea that England would think of provoking war to prevent the expansion of German commercial enterprise throughout the world is absurd.

If this analysis of the real interests of the British Empire and Germany is true, there is no ground for any quarrel which should lead to war. If Germany will prove by her acts that she admits the necessity to the Empire of the two-power standard, and if the British will prove by their acts that they have no wish to impede the commercial ex-

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pansion of Germany or to withhold from her a proper influence in the world's affairs, the vital interests of both are secure. Friction will occur and disputes will arise, but not such as are insoluble by reason and fair play.

IV

IF then on a candid examination of the real interests of Germany and the British Empire there is no conflict of vital national interests, what is the origin of those mutual suspicions which brought Europe to the verge of war at Agadir? Is it in the nature of things, or is stupidity, blunder or arrogance on either side to blame?

A certain amount of friction and misunderstanding is inherent in the contact of independent communities, whether they are philanthropic societies or whether they are nations. Each wants to get its own way. Neither has any obligation to look after the interests of the other, and when these conflict, they have to be adjusted by a delicate and difficult negotiation, which becomes impossible if there is violence or unreason on either side. There are constant disputes between England and France, or between Germany and Austria, as all diplomatists will allow. They do not reach the public ear only because they are overshadowed and disguised by other and more dangerous collisions involving the risk of war.

This natural cause of irritation is aggravated in the case of the British Empire and Germany by special and temporary circumstances. We have seen the effect in Europe of the sudden appearance of a new and immensely powerful state. The British peoples are now feeling the effect in a sphere they have long regarded as their own. They have been the *beati possidentes* of world power, and naturally do not relish the intrusions of a rival. To some extent the interests of the two are irreconcilable, because each has right on his side. The British for a century have governed a quarter of the whole world and policed the seas with a

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great measure of success and humanity, and they dislike a change which replaces certain peace by dangerous rivalry by sea, and which makes their own task in India and elsewhere more difficult and more expensive. The Germans are a great civilized people, and if their civilization and their ideals are worth anything they cannot throw away their birthright to leave their mark on the course of the world's history. The circumstances illustrate well the saying of Hegel that "The real tragedy of history is not the struggle of right against wrong, but the conflict of right against right." And until the readjustment of the old machinery is complete and the new power has found the place in the world to which it is entitled by its strength, intelligence and self control, some antagonism is bound to last.

This natural cause of friction is greatly aggravated in other ways. Ignorance spells suspicion, and the British and the Germans, being extraordinarily ill-informed about one another's affairs and being fed largely on reports of the extravagances of extremists, have come to believe that their rivals are incredibly efficient and far-sighted, are malignantly hostile, and by some miracle are so free from internal difficulties that they are able to pursue their baneful designs with relentless labour night and day. And this illusion is fostered by the fact that the soldiers and sailors, who are responsible for the safety of the two countries, are making every possible preparation to ensure victory in the event of war, as indeed they must if they are worthy of their trade. These preparations are discovered and, coupled with the utterances of fire-eaters among them, are taken as final proof of the intention of England to destroy the German navy before it gets too strong, and of Germany to invade Holland and then England, directly she sees a chance of victory. Again, there is no official spokesman for either nation in the country of the other, except an ambassador whose tongue is tied save in the secret cabinet. Impressions of the aims and interest of either country, therefore, are derived from journalists or

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diplomatists, resident abroad, who are almost compelled to take biassed views. It is their business to watch the proceedings of the state to which they are accredited and to warn people at home to be on their guard. And just as doctors are often bad guides for people in sound health, because their experience is gained from the sick, the abnormal or the maimed, and detectives are bad judges of the conduct of ordinary folk, because their business is to follow the habits and methods of rogues and criminals, so the opinions of press correspondents and diplomatists, uncorrected by other evidence, are not a sufficient guide to the policy and intentions of a rival power. This is no discredit to the people concerned. It is in the nature of things. Business men have long found it to be true in their affairs. They seldom allow important negotiations to be conducted by their agents. Most big transactions to-day are conducted between principals. And now that travel is so rapid, diplomacy might usefully do something to follow suit.

But none of these causes are sufficient to explain the present tension nor the recent danger of war. Any strong and fair-minded foreign Minister could make allowances for them and keep the relations between the peoples tolerably friendly. The root lies deeper, and must be sought in the deliberate aims and actions of the two powers. What ground, therefore, is there for the accusations brought in each country against the policy of the other?

There can be little doubt that there is much truth in the general charge that the national characteristic of the British is not only to ignore the other man's point of view, but to believe that indefeasible right is behind his own. Every French Canadian says it about the British Canadian. Every Boer says it about the British South African, who retorts with justice that the Boer is as bad as himself, which explains how well they get on together. The French have said it for centuries, and say it still in whispers. The British say it about one another. There is no inhabitant of the

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Dominions who does not belabour Downing Street for its neglect of their interests and the calm superiority with which it refuses even to reconsider its own statement of the case. And the British are amazed at the imperturbable confidence of the peoples of the Dominions that their own opinion is the last word in wisdom and that their own country is the greatest place on earth. And the whole Empire combines to hurl the charge at the head of the Americans, who return it with equal energy and conviction.

This trait, reinforced by the real necessity of resisting too rapid a change in international conditions as dangerous to the stability of peace and good government in the dependent Empire, produces an attitude which is intensely irritating and galling to a young and aspiring people like the Germans. And, in consequence, when the aspirations of Germany are thwarted, as they are bound—in common with the aspirations of all other nations, the British included—to be thwarted in the international struggle, the Germans ascribe the resistance of England, when she is the obstacle in the way, to jealous hostility to Germany. And their annoyance is not mollified by the knowledge that England's perverse hostility has a very fair chance of success, because she insists on having a two-power navy on the ground that it is her duty to keep the peace for the world.

But, granting all this, the German case will not stand the test of the facts. It is true that England won her Empire because she held command of the seas. But she held command of the seas not because she was jealous of Spain or France, but because in no other way could she protect herself from the appalling chaos and disorder which devastated Europe and which was the real reason why the appearance of Germany as a great power was so long delayed. Nor was her sea-power due to her desire to "grab the world." The command of the sea gave her traders a great advantage, and resulted in her acquiring a vast

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empire which she would otherwise have been unable to hold. But every student of history knows how reluctant British ministries have been to extend the Empire they had to defend. What has invariably driven them on has been the inexorable facts that rapine and disorder on the frontier were inconsistent with peace and progress within British territory or with the safety of British subjects, and that the only way of preventing hostile powers from occupying strategic positions threatening vital parts of the Empire was to annex them to the British crown. The final proof of the disinclination of British Governments to extend their domain and of the evils of disregarding inexorable facts is to be found in Majuba, the South African war, and Khartoum.

Nor has the command of the sea been used to seize the territory of civilized powers or to coerce the weak. It has been used to a great extent in the general interest—to put down piracy and the slave trade, to keep the seas free to the commerce of all nations, and to establish law and order and good government among peoples who were unable to do so for themselves. The British did not do this or win the Empire out of altruism. They did it because if they were to be free, prosperous and happy they could do nothing else. If they had not acted as they did their trade would have vanished, they would have fallen short of their obvious responsibilities, and they would soon have found themselves at the mercy of some stronger power. It is true enough that in the almost unconscious process of building up the Empire, the British have done many questionable acts. But the justification, if there is a justification, is the same that the Germans plead for Bismarck and his acts. Must not the better sometimes prevail at the expense of the good?

And when one asks where the British have resisted the legitimate expansion of Germany, the apologist for Germany can instance but two specific cases, the Bagdad railway and the recent Morocco crisis. It may be true that the British opposition to the Bagdad railway, shared also by Russia and France, was an unreasonable method of

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showing our distrust of the German design to obtain a preponderant influence in the Turkish Empire, which extends to the Persian gulf. That depends upon what exactly were the German aims.* But the German failure to obtain all that they desired in Morocco can hardly be ascribed to the British initiative. Mr Lloyd George's speech was the direct and inevitable outcome of the German attempt to break up the *entente*. Whether the *entente* is justified or not, it is the policy of England to-day, and an attempt to defeat it was bound to provoke the resistance of England. The German Foreign Office must have seen the risk and taken it. Success was worth much more than the Congo. Failure meant something less than the Congo. Germany cannot blame England if the calculations went astray. Either the *entente* would go or the Germans would suffer a diplomatic defeat and lose the greater part of the French Congo. There was no third alternative to the policy they themselves set in motion.

The charges against British policy, therefore, apart from the doubtful case of the Bagdad railway, resolve themselves into those of general hostility and to the creation of an anti-German *entente* designed to hem Germany in. These charges are, generally speaking, true to-day, and have been true during the last six or seven years. The British are suspicious of, and to that extent hostile to, Germany all over the world, and hostility backed by sea power does tend to impede German enterprise and diminish German influence, and has culminated in an *entente* which ties the hands of Germany in Europe, and which enables smaller powers to seize many of those opportunities of acquiring territory, or markets or prestige, which would otherwise come to Germany. These are undoubted facts, and if they are the product of mere unreasoning jealousy on the part of England, it is the British who are to blame for the present state of feeling. Whether or not that is the case depends entirely on whether the British interpretation of German aims is correct. Is the present British attitude the result of

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German provocation, or has it come into being during the last few years through sheer jealousy of a new rival?

The German people have had a remarkable and a deserved success in the last forty years. But their very success, the strength and reputation of the political structure they have reared, and the respectful admiration they have won from outside peoples, to say nothing of the fear they have inspired into their neighbours in Austria and France, have unquestionably turned their heads. What has been said about their confidence in themselves, their contempt for other peoples, their belief that they were destined to play the same part in the outside world that they suddenly found themselves playing in Europe, and their conviction that England was the enemy as the obstacle in the way, is, generally speaking, true. They knew nothing of world politics. Their own political experience was short and narrow. And in consequence they set their ambitions impossibly high. It was their destiny to lead the twentieth century, and as the favourites of destiny they believed that they had a sort of right to everything which their future required.

Their history affected them in another way. It bred in them a quite unreasoning belief in the value of force and the ruthless use of it by the state. For more than a thousand years Germany had been a prey to force misused. It was the cockpit in which not only her own princes and nobles, but all Europe, fought out their quarrels. In the thirty years' war alone the population of Germany is said to have fallen from 22,000,000 to 8,000,000 by the sword, and by famine and pestilence brought by the sword. During the nineteenth century it was the same. Even after Napoleon had crossed every mile of the country with his troops and the people in despair had risen and driven him forth they could not unite. For fifty years more Germany remained stagnant, oppressed, suffering, the plaything of the ambitions and intrigues of her rulers. Suddenly the face of the sky was changed. And it

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was changed in an incredibly short time by Bismarck and his Prussian army. Since 1871 not a shot has been fired by an enemy in Germany. Her people have known what peace meant for the first time. Her industries and her agriculture have prospered amazingly. Her name is feared and respected by all the world.

Is it any wonder that the Germans, and especially the Prussians, worship force? Moreover, the possession of force is a necessity to Germany in a sense in which it is not a necessity in many civilized countries. Germany lies upon the borders of the east. Russia, the home of autocracy, of a most tyrannous yet helpless bureaucracy, and of terrorism and revolution, is her frontier to the east. The fierce race hatreds of the Austrian Empire smoulder just below the surface to the south. And beyond Austria the Balkan States and Turkey are in a condition in which only the difficult agreement of the great powers prevents an outbreak which would set all eastern Europe aflame. Germany, like England in India and her dependencies, must be strong, because the safety and prosperity of her people depends upon her voice being decisive. If she were not so irresistible there would not be peace in Europe to-day.

But not only do the Germans regard force as the bulwark of the state in external affairs, they find it not less necessary to their own internal comfort and order. Just because they have been so accustomed to war, and have had so little experience of long peace and prosperity, they have not acquired that social *savoir faire*, that instinctive sense that the interests of the community and the individual are identical, which grows up among more fortunate peoples, and which is indispensable if the fullest individual liberty is to be reconciled with the stability of the state. A slight illustration is perhaps the simplest method of explaining what is meant. It is a commonplace among foreign visitors to Berlin that its crowds are the worst mannered in the world and that progress through the streets is an intolerable series of collisions or of excursions

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off the pavement to escape them. The accusation is perfectly true. But what is the explanation? It is not the usual one that the Prussian is a brutal bully. His amiable smile and ample figure belie the charge. It is simply that it has not yet become second nature to him that it pays to think of others as well as yourself. Every man goes gaily ahead expecting the others to get out of his way and do the dodging. In consequence nobody dodges, and progress is astonishingly slow and uncomfortable. And see what is the effect on the German point of view. The Berliner, not having thought of applying his experience for himself, finds a wonderful efficacy in its application by the state. The introduction of rules and orders has a magic effect. Crowds suddenly move in two parallel streams, taxis and cabs collide less often, progress is rapid and undisturbed. Great indeed are the boons conferred by a strong government and an omnipotent police. Without them and the force they wield, how could the state subsist?

This may seem trivial. So it is in itself, but it serves to illustrate the broad fact that Germans believe in the efficacy of force and authority to an extent which is scarcely comprehensible to the Anglo-Saxon mind. On the whole we trust to reason and appeals to fair play to make people do the right thing without the interposition of the state. We find that in practice the easiest and most satisfactory way of effecting change, and the way most consistent with individual liberty, is the voluntary acceptance by the minority of the decisions of the majority. And in consequence we have an instinctive recognition that order and progress within the state is a matter for which every individual, and not merely the state and its officials, has a measure of responsibility even in the most ordinary of daily affairs.

The Germans think otherwise. Their history and their circumstances point to their having received peace, prosperity and, in later days, comfort and order from the activities of the state. Rules and regulations are still found

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to be a help rather than a hindrance to the individual. This is why the Germans are so successful where discipline is of value and why they obey the police rules so blindly and tolerate a government tyranny in repressing disorder or enforcing uniformity which would produce an instant revolution in America or the British Empire. And this is why they believe so implicitly in the use of force as the only instrument of foreign policy.

There is also another factor which affects the national policy of Germany. The constitutional and administrative system drives the German Government into an aggressive yet unstable foreign policy. Despite universal franchise the German Empire is not a democracy. The Reichstag is the least important of the two Houses of the German Parliament. Speaking generally, it can only accept or reject projects sent to it for consideration by the Upper House, the Bundesrat. The Bundesrat is not a house of peers, it is a diplomatic body representing the governments—all of them autocratic in character compared with Anglo-Saxon governments—of the states of Germany. In the Bundesrat Prussia is practically supreme, because in fact it always initiates proposals and because it can veto the proposals of others. In Prussia the electoral system is such that it gives almost complete power to the Junkers, the conservative squireens of the centre and east, and under the three class system of voting, nothing, save their own consent or revolution, can deprive them of their power. And because Prussia controls the Empire, the agrarian and conservative classes also control the national affairs of Germany.

Neither in Prussia nor Germany, however, is there a cabinet responsible to a parliamentary majority. The Chancellor and the first Prussian Minister, who is always the same, is appointed by the Kaiser. He is, as a rule, a person acceptable to the Kaiser, the bureaucracy and the leaders of the more conservative parties. Constitutionally, he cannot be turned out of office by an adverse vote, though if the assembly made up its mind to do so it could force him to

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resign and might even control the appointment of his successor. But the majority never wishes to bring things to a crisis because the privileged position of the Junker, and the inordinately high protection enjoyed by the agricultural classes are all bound up with the present system of government.

The government of Germany therefore rests on an understanding between the agrarian representatives and the higher official classes. This system produces a number of bad effects. It means that Germany never has a change of government. The Emperor may drop one Chancellor through an oubliette if his policy becomes too unpopular, but the real government—the combination of the agrarians and the bureaucracy—goes on undisturbed. And this leads to government by intrigue to an extent which is incredible to Anglo-Saxon communities. All the great interests—manufacturing and financial—have to intrigue with the bureaucracy because they cannot protect their interests by ordinary parliamentary means. And the bureaucracy intrigues endlessly for place and power within itself. In countries under the parliamentary system power goes to those who can command the confidence of parliament or the electorate. But where the civil service rules power goes with nomination, and nominations are best obtained by canvass and “pull” behind the scenes. And as intrigue is inconsistent with a clear, straightforward policy German diplomacy is notoriously shifty and untrustworthy.

The system also means that the government is subject to steady bias in favour of aggressive action. The Junker is the man above all others who believes in the efficacy of force. It was his sword that enabled Bismarck to create modern Germany. He despises the new commercial classes and is anxious to show that wealth and trade are not the mainstays of German power. He is nearest to the unruly east where police protect the government and not the people. As the recent debates show, the conservative is loud in his demand that Germany's rights and reputation

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should be vindicated by the sword. Nor is the bureaucracy inclined to gentle ways. It has been immersed in Bismarck's tradition, and the Chancellor's advisers are largely admirals and generals, who are familiar with the notion of war, and with whom war is the natural instrument of policy.

Moreover, the government, as is natural, is unpopular. It cannot change, and is therefore blamed for everything that goes wrong. The whole system, in fact, from the Emperor downwards, can only last if it is successful, and the more unpopular it grows at home the stronger is the bias in favour of recovering its prestige in the good old way by glory abroad. And this tendency is aggravated by the fact that Germany, like other young states, still lives largely on speculation. It has gone ahead rapidly, and its people, so to speak, are still inclined to mortgage the first story of their houses to build the second. And as prestige helps credit, all classes are interested in keeping alive the reputation of Germany as the coming power in world politics, as in trade and finance.

All these factors combined are responsible for Germany's present position. The real necessity she has been under to force her way to her proper place in the world has made her proceedings inevitably disturbing and inconvenient to other powers. The exaggerated notions entertained by the German people of their own prowess and future has led them to ambitions which threatened the liberty and vital interests of their neighbours. Her system of government has increased this tendency and made her policy restless and untrustworthy. And, finally, the intense belief of the Germans, and especially of the Prussians who control Germany's policy, in the use of force as the proper method of achieving their national ends, has produced a diplomacy which is a byword throughout the world for violence and pride.

In such circumstances, what else can Germans expect but to find their neighbours on the defensive? England showed no signs of hostility until the ridiculous talk about the

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coming downfall of the colossus with the feet of clay had culminated in the decision to build a fleet greater than the British fleet, and until her offers for reducing the expenditure on armaments had been answered by the Navy Bills of 1906 and 1908. Germans can produce no evidence of British hostility to themselves till after the Boer War. But German provocation dates back to the early 'nineties. And when to this overwhelming evidence of Germany's intentions is added the methods of her Foreign Office, the truculent and futile Delcassé incident, the ultimatum to Russia and the boasting afterwards, the Agadir incident, and what is even more irritating, the thousand and one minor provocations of her diplomacy, coupled with endless talk about the power of the German sword to disperse opposition to the German will, is it any wonder that the whole world is on edge and instinctively agreed to elbow the German out? If a nation constantly proclaims that it is the strongest and greatest people on earth, that its destiny is to dominate the world, that it will do so by the use of the mightiest armaments the world has ever seen, and that it will use them instantly and mercilessly against those who thwart its will, what wonder that its neighbours take it at its word and ensure one another's prosperity and safety by *ententes* and understandings? Germany's position is not the product of British jealousy, but of her own aims and policy in the past. It is impossible to do business with a man who, wittingly or unwittingly, is threatening your life, whose methods you cannot trust, and who enters your room brandishing a club.

That is the real story, for the Germans are not more greedy or more grasping or more unscrupulous than their neighbours. They have not aimed consciously and deliberately at the overthrow of the British Empire. But they think so well of themselves that their ambitions have been inconsistent with the rights and liberty of other people, and their manner of pursuing these ambitions has been such as to provoke apprehension, resentment, and opposition throughout the world..

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The lesson is well conveyed in the contrast between the recent experience of Germany and the history of the British Empire. Both peoples believe in force. But the Germans have not yet realized what the British have practised for centuries, that the masterful use of force is the only way of defending your rights, but the worst possible way of pushing yourself. As Napoleon and all experienced business men have found, force misused raises unnecessary and unexpected obstacles, and in the end invariably arouses a coalition strong enough to overcome itself. Nor have they yet learnt the real lesson of British history, that the Empire is not the product of sea power alone, but of sea power reasonably employed. The supremacy of the sea has guaranteed the safety and freedom of the British, it has not been used to frighten or oppress other peoples, and the magnetic attraction of great power tolerantly employed has done the rest.

But if the primary cause of the Anglo-German antagonism is to be found in the ambitions of the German people and the methods of their foreign office in the past, it is fair to add that the characteristic British self-complacency has intensified it. A notable example is to be found in the recent speech of Mr Lloyd George, which has aroused such intense indignation in Germany. It was a piece of bad manners and bad diplomacy. What was not far removed from an ultimatum to a great power ought not to be delivered by a Minister who is neither the Prime Minister nor the Foreign Secretary at a public meeting and in rhetorical language. The manner of delivering the ultimatum was not unnaturally regarded in Germany as insulting, and the language lent colour to everything Anglophobes had said about England's determination to keep Germany out of her proper place in the world. In international affairs effects such as these are dangerous and expensive. If the British Government had said what it unquestionably had to say with the firmness and dignity which characterize the utterances of Mr

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Asquith and Sir Edward Grey, much of the present tension might have been avoided. The episode is an exact example of the British inability to make allowances for the other man's point of view. The British are generally honest and just in their judgements, but they throw away half their force by their manner of delivering them.

V

IT only remains to consider what we may expect in the future. The present situation is extremely dangerous, as inflamed passions may give rise to a disastrous and deplorable war from which both sides must suffer immense damage for no commensurate gain. The risk is greatest from the German side, where feeling is dangerously excited and where the government is in a far weaker position to resist pressure from below. The present situation is also extremely expensive, and if it lasts is likely to become even more expensive in the future, without anybody being an atom the better off. The main burden of the expense will be borne by the British, who have to spend two pounds for every one spent by Germany on naval armaments. From every point of view an improvement in Anglo-German relations is imperative.

An improvement is certainly possible. As we have seen, the vital interests of the two countries are not irreconcilable. But the essential preliminary is proof that the aims of Germany no longer threaten the existence of the British Empire as they have done in the past, and that it is no longer her policy to squeeze and cajole weaker powers at the risk of plunging the world in war. If Germany can satisfy her neighbours on these points, relations will rapidly improve, for the general hostility to Germany is the product of a real and profound distrust of her intentions and her ways. Once that is removed it will soon appear that there is no desire on the British side to restrict the extension of German trade and influence all over the world.

There is some reason to suppose that a better under-

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standing will be reached when the present anger has died away. There has unquestionably been a change in Germany of late. Her ambitions are far lower than they were. The British Budgets of the last few years have simply destroyed the myth of the colossus with the feet of clay. The Germans realize that they have mistaken tolerance for weakness. They admit that England intends to retain command of the sea, and that any attempt to outbuild her, at any rate for many years to come, is doomed to hopeless failure. And the admission involves a wholesale change in their policy towards her, which was based on the assumption that she was effete and tired. Moreover, the Agadir incident will probably give a shock to their belief in the universal efficacy of force. It has been a remarkable demonstration of the futility of their official policy and of the hopelessness of attempting to win their way by treading on other people's toes. German prestige, too, has been given a severe blow. England and France stood firm despite the brandishing of the sword at Agadir, and Germany had promptly to retreat. Not only has the prestige of England risen, but France and Austria and Russia feel freer than they have done for forty years. And Germany is by comparison weaker. Force, too, is clearly useless as a creative agency unless you are strong enough to overcome all possible resistance. This the Germans are beginning to realize they cannot do. Circumstances, therefore, are not unfavourable to the change in the aims and methods of German policy, which, especially in the light of the German treatment of the advances of the present Government, is the indispensable preliminary to improved relations. Let us hope that diplomacy will profit by them.

But until a real understanding is an accomplished fact we must remember that peace and our safety depends only upon our strength. We cannot trust to the professions of Germany any more than we can expect Germany to trust to ours. Facts alone are proofs. We cannot ignore that Germany is ambitious, that her traditions are warlike,

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that political power resides with the most aggressive section of the nation, that the government may find it difficult to resist their pressure, that the naval and military services have a great voice in the policy of the state, that her people have been taught to regard us as the enemy, and that the methods which her government is accustomed to use, and which her people applaud, are methods which endanger the peace and liberty of other nations. A people cannot change its habits in a night. Germans are not going to alter their system of government and their political philosophy in a hurry. It is not impossible they will have to endure a political crisis amounting almost to revolution, and a financial and commercial crisis, involving immense loss, before the ambitions and the methods of their government become sobered to the level of other nations. While this remains the case, pacific and friendly as its policy should be, the only security for the Empire is the knowledge that its strength makes it invulnerable. We may well remember that it has not been our professions or our rights that has affected German policy in the past, but the Dreadnought budgets, and the proof just given that we are prepared to defend our rights, if need be, by the sword.

We must remember also that however Anglo-German relations may be improved, the fundamentals of the situation will remain the same. England and Germany will be separate and rival powers. Their interests will conflict, and disputes will have to be adjusted by negotiations difficult and delicate, which obstinacy or pride on either side can render fruitless, and when this happens each will be protected only by its strength. Nations can appeal to a court like the Hague to adjudicate upon their claims, but they cannot compel the appearance of the other side, nor call in the police to execute its decrees, or save them from assault. The protection of their rights and their liberty, in the last resort, rests with themselves alone.

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Nor can we ignore the fact that difficult times lie ahead. The interests of the British Empire and of Germany are going to conflict in a thousand minor ways. Germany has still to thrust the tentacles of her trade and influence into many places where the British still reign alone. It is impossible as it is impolitic to prevent it. And when the time comes, as it is bound to come, for negotiation about the trading rights of Germans in India, Egypt and the dependencies, a matter carrying with it the gravest political consequences, or about that exchange of territory in the Pacific Isles, in Africa and Asia, which is the certain outcome of the Morocco negotiation, or about the application of Australian labour shipping laws to German vessels, friction may well become acute.

This is a matter which affects the Dominions even more intimately than England. The interests of England and the Dominions are at bottom the same. Their paramount concern is to free themselves from the possibility of being coerced by stronger powers. Yet, if Germany is to succeed in keeping her population at home, her power will rapidly increase, and the British peoples, in the years that lie ahead, will be able to protect themselves only if they can unite upon a common policy and an efficient system of defence. That will not be easy, for in minor matters, such as territorial exchange, their interests conflict. But if the Empire is to survive at all, if England is not to disown the Empire, and if the Dominions are not to disown the British flag, unity must be achieved.

Whatever happens, therefore, the maintenance of adequate naval and military forces is the condition of peace and prosperity for the Empire. If it proves impossible to compose Anglo-German differences and the antagonism grows worse, it obviously will mean an increase in the burden of armaments, and we shall have seriously to consider whether our own safety is not bound up with the ability to intervene effectively in Europe. If relations improve we shall be able to effect economies in our naval expenditure in proportion

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as Germany effects economies in hers. But a proper margin of sea power will still be essential to our future.

The peace, indeed, not only of the Empire but of the world depends upon the supremacy of the British navy by sea, as it depends upon the supremacy of the German army by land. For peace is preserved not by that balance of power which impels each side to think itself the stronger, nor by that excess of offensive strength which provokes ambition, but by that condition in which each people is certain only that it can defend itself. So long as it is impossible for Germany to defeat the British Empire by sea, and impossible for the British to conquer the Germans by land, nothing save madness can produce a duel between the two.

The CONGESTION OF BUSINESS IN THE HOUSE OF COMMONS

MANY events and tendencies of the past thirty years have helped to bring into prominence the question of the efficiency or the inefficiency of the House of Commons. Among them we may enumerate the growth of complex social legislation, the organization of Parliamentary obstruction, and the consciousness of Empire. In spite of, perhaps partly in consequence of, its vital importance the question has not always been discussed on its intrinsic merits, and the clash of conflicting opinions has been accompanied by something of the acrimony and something of the unreasonableness of a political controversy. Yet the House of Commons and the Cabinet responsible to it are charged not only with the duty of conducting the affairs of the United Kingdom, but of ensuring the safety of the Empire, and the fortunes of hundreds of millions of subject peoples. It is, therefore, of the first importance to the whole Empire that we should know whether its sovereign Parliament is in a position adequately to discharge its functions. In these circumstances the ROUND TABLE has decided to institute a wholly dispassionate inquiry into the true state of the case—an inquiry neither distorted by prejudice nor coloured by enthusiasm for a particular remedy. There may be many opinions, but there can be but one set of facts; and the object of the following pages is to survey the facts which bear upon the problem, and to estimate fairly and impartially the value of the remedies of which trial has already been made.

It is obvious that the chief difficulty must be the difficulty of time. A glance at table A will show that the average session in modern times consists of about 140 working days: but a certain proportion of these days are ear-marked in advance either by the necessities of administration or by the express provisions of the Standing Orders, and are not available for ordinary legislation.

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Of these we may first deal with days required for finance in its two aspects. On the credit side of the account, nine or ten days will probably be sufficient in a normal year to cover the Chancellor of the Exchequer's statement, the necessary resolutions in Committee of the whole House, and the various stages of the Finance Bill itself. On the spending side the business of Supply is limited by Standing Orders to 20 days—or by special Order of the House, 23 days—in the session. This however, does not mean that Supply never occupies more than 23 days in the year. In the first place the Standing Order period does not include the days on which it is necessary to put the question "That the Speaker do leave the Chair." These days are normally three in number—namely, the days on which the House first goes into Committee on the Army, Navy and Civil Service Estimates respectively. Secondly, the Standing Order period does not include days devoted to supplementary Estimates; and these days may be computed at three or four in an average year. At least twenty-six days, therefore, are required for Supply.

Supply again has its necessary sequel in Consolidated Fund Bills, which number two or three, or occasionally four, in the session. A Consolidated Fund Bill has the unique advantage that, except by the employment of the most blatantly obstructive tactics, it is impossible to debate it on the Committee stage. On the other hand, a wide range of discussion is permissible on the second and third readings; and the House of Commons is seldom slow to avail itself of such opportunities. Two days at least must therefore be allowed under this head.

Yet another day must be added for the consideration of the Indian Budget, making thirty-eight days required for the indispensable business of finance.

Table A shows the average of the five years 1904-1908 to be 39.8. These years were chosen as coming between the years of war and its after effects, and the year 1909, when more than half a long session was devoted to

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finance. They are also years slightly below the average for the reason that the estimates for 1906-07 were largely prepared by the party which subsequently had to discuss them in opposition. Thirty-eight, therefore, may be taken as the lowest figure which can be considered reasonable under existing circumstances.

The function of the Committee of Supply is of course critical in the main, and only to a very small extent financial; but it cannot, and ought not, to exhaust the critical activities of any deliberative assembly. In the first place, though technically it gives an opportunity for surveying the whole field of administration, it is in practice impossible to discuss in the allotted time more than a small proportion of the 150 votes. It provides no opportunity for dealing with sudden emergencies; and, except in the case of the salaries of Cabinet ministers, very slight opportunity for raising wide questions of general policy. Further, it is often desirable for obvious reasons to get a clearly defined issue before the House instead of forcing a division on the question of reducing a sum of money. Lastly, without other opportunities of discussion, a minister whose particular votes had been passed would be exempt from criticism for the remainder of the session, except in the *pot pourri* of a motion for adjournment. Consequently, a further substantial reduction must be made from the time of a session in respect of what, for want of a better generic term, we may call Notices of Motion.

The debate on the Address at the beginning of the session is one of the opportunities provided by Parliamentary custom for a survey of the intentions and achievements of the Government of the day. The tendency of recent years has been to cut short the debate by means of the closure; but, even so, seven days at least ought to be allowed for it.

For sudden emergencies the Standing Orders provide for a motion to adjourn on a "definite matter of urgent public importance"—commonly known as a motion for adjourn-

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ment under Standing Order 10. The Speaker is the trustee of the House in this matter; and since he is not readily persuaded that a question is definite, urgent and of public importance, such a motion will probably not be allowed on an average more than four times in a session. Each of these motions normally occupies the House from 8.15 to 11 o'clock p.m.; and two days therefore must be deducted under this head.

Thirdly, miscellaneous debates arise on the motions for adjournment at Easter, Whitsuntide, and—if an autumn session be in contemplation—also in the summer. Two days again are required.

Fourthly, there are the declaratory resolutions moved by the Government (or at the instigation of the Government) or by the smaller groups in the House. With these may conveniently be classed votes of censure and votes of confidence. The number of these motions must necessarily vary according to political circumstances, but we shall not go far astray if we compute them at three a year.

Lastly, we come to the evenings reserved under the Standing Orders for the discussion of abstract motions by private members. The number of these varies in accordance with the relative position of the opening of Parliament and the movable feasts, but nine days may be taken as a fair average.

Altogether under the head of Notices of Motion twenty-three days must be deducted; and these, added to the thirty-eight days required for finance, make sixty-one days, or more than 43 per cent of the average session. The day of prorogation must also be deducted as being unavailable for business, and in most sessions there will be yet one other day at least to be classed as blank. The total deductions therefore must be estimated at sixty-three days.

The actual figures for 1904–1908 show an average of 68.3; while the figures for the ten years 1900–1909, given under a slightly different form in Table F, bring the average up to 79.1. Taking the lower figure, for the sake of argument, and deducting it from the average total number of sitting

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days, 140, it is clear that about 72 days in the year are available for legislation. From these 72 days a further reduction must be made in respect of days reserved for private members' Bills. The exact number of these days also depends on the ecclesiastical calendar; but they average more nearly 14 than 13. Less than 60 days in the year therefore are available for Government legislation.

Before going on to discuss the possibility of extending this limited space, it may be well to see exactly what use the Government and the House of Commons make of it. Table B shows, among other things, that the number of Government Bills passed through the House of Commons during the ten years ending 1909 was 388. Sixty of these were purely financial measures, and must be excluded from our calculation. The remaining 328 occupied 483 days of Parliamentary time. But included in this number of 328 are the big contentious measures which constitute the main feature of a session of Parliament. The following list shows the time occupied by the ten principal Bills:

1902	Education Bill	occupied	approximately	52	days.
1903	Irish Land	„	„	15	„
1904	Licensing	„	„	18	„
1905	Aliens	„	„	10	„
1906	Plural Voting	„	„	12	„
	Education	„	„	31	„
1907	Territorial and Re-				
	serve Forces Bill	„	„	14	„
1908	Licensing	„	„	30	„
	Old Age Pensions Bill,			10	„
1909	Irish Land	„	„	15	„
Total				207	days.

In other words, the remaining 318 Bills were passed in 276 days. Even allowing for the fact that a good proportion of the 318 were measures whose chief merit was their obscurity, the time occupied was ridiculously inadequate.

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Not all these Bills—in point of fact, less than ninety of them—were referred to Standing Committees. The greater number were hustled through their stages in the small hours of the morning or amid the week-end listlessness of a drowsy Friday. They reached the Statute Book chiefly because no member knew enough or cared enough to oppose them. A great many certainly were useful and necessary measures; but obviously, in the circumstances, the temptation is strong to legislate in minute doses strongly tintured by reference. Next to political obscurity, obscurity of meaning becomes the surest aid on the road to legislative success.

A most casual survey of the Acts of recent years is sufficient to establish the reality of this tendency towards piecemeal legislation by way of reference. Fifteen of the Acts of 1907 for example, and fourteen of the Acts of 1909, consist of two sections only—that is to say, of one operative section. They include Acts of the following character:

Altering and partially repealing one section of the Judicature Act;

Extending one section of the Fisheries (Ireland) Act, 1842;

Amending two subsections of the Local Government Act, 1888;

Allowing a hypothetical Assistant Postmaster-General to sit in the House of Commons.

These examples might be multiplied indefinitely; but it may be well to quote *in extenso* one operative section as an illustration of the type. The quotation below is from the Employment of Women Act, 1907:

“Section fifty-seven of the Factory and Workshop Act, 1901 (which relates to the employment of women in flax scutch mills), and in paragraph (5) of section seven of the Coal Mines Regulation Act, 1887 (which relates to the employment of women and children above ground), the words, ‘of not less than eight hours between the termination of employment on Friday and the commencement of employment on the following Saturday and in other cases,’ are hereby repealed.”

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There is always the hope that these scattered fragments of legislation may some day be gathered up into a reasonably coherent and complete whole by means of a Consolidation Act; and there is something to be said in favour of weaving them closely, by means of specific reference, into the texture of the principal Act. But the same excuse cannot be pleaded where an Act is itself in the nature of a principal Act. Here again the chief difficulty is to select examples from an almost limitless store. The following perhaps will suffice:

Local Government (Ireland) Act, 1902, section 11—

“Article twenty-four of the schedule to the Local Government (Application of Enactments) Act, 1898 (which provides for the transfer of powers from the Treasury to the Local Government Board), as amended by the Local Government (Ireland) Act, 1900, shall apply to the powers conferred by section nine of the Public Libraries (Ireland) Act, 1855.”

Fortunately, few examples can be found to match in complexity section fifty-nine of the Finance (1909-10) Act, 1910, which runs as follows:

“In the case of a person dying on or after the 30th April, 1909, the period preceding the death of the deceased before which a disposition purporting to operate as an immediate gift *inter vivos* must have been made . . . in order that the property taken under the disposition . . . may not be included as property passing on the death of the deceased, shall be three years instead of twelve months before the death, and accordingly paragraph (a) of subsection (2) of section 38 of the Customs and Inland Revenue Act, 1881 (as amended by section eleven of the Customs and Inland Revenue Act, 1889, and applied by paragraph (c) of subsection (1) of section two of the principal Act), subsection (3) of section two of the principal Act, and section eleven of the Finance Act, 1900, shall be read as if three years were substituted for twelve months.”

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Such a phenomenon as this cannot be ascribed wholly to the perversity of draftsmen. The truth is that no deliberative assembly can turn out 318 Acts in 276 days unless it can be dissuaded from debating them. One method, as we have seen, by which this result can be attained is to introduce small, obscure measures which satisfy the Departmental need which is most pressing at the moment. Another method is to make the larger measures as difficult as possible to debate. Now it is obvious that a clause which proceeds by way of reference is more difficult to debate than a clause which tells its own story. For instance, in the section quoted above from the Finance (1909-10) Act, 1910, the only words to which a substantial amendment can be moved are the words, "three years." It may be urged that those words are, after all, the only important words. That is perfectly true; but it is no inconsiderable gain to have made it impossible to amend unimportant words. In the case of a contentious Bill it is the practice to move an amendment—if it be in order—to every amendable word. The practice may be objectionable or unobjectionable, but it cannot lightly be changed. It is a luxury for which we have to pay the price of legislation by reference. But while the luxury is merely a fulfilment of the dictates of political human nature, the payment of the price burdens us with a statute law which is esoteric, cumbersome, and certainly not "understood of the people."

It is a melancholy fact that our statute law should be marred by these glaring defects; but the melancholy would be relieved if we were assured that, in one form or another, the House of Commons could achieve all the legislation that is required for administrative purposes. We may take it that the Government are compelled to work the House at a pressure too high for its legislative capacity. Unfortunately, it is necessary also to show that it cannot fulfil its own primary legislative needs. Table B shows that the Bills mentioned in the Speech from the Throne during the ten years ending 1909 number 115. Of these, only 57 or almost exactly 50 per cent, passed through all their stages in the

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House of Commons in the same session. Thirty-one of them—more than 25 per cent—were not introduced at all. Now these Bills are in the very forefront of the Government's political programme. Naturally enough, a few will fall by the wayside for political reasons. Others, as for example the Welsh Disestablishment Bill of 1908, will be introduced merely by way of demonstration or reconnaissance in force. Governments again may be constitutionally optimistic; but he must be an optimist indeed who can rest satisfied with a Parliament which achieves only one half of its principal programme.

The minor Government Bills show a slightly better result. Out of 526 introduced or brought from the House of Lords, 331, or roughly 63 per cent, succeeded in passing the House of Commons. If, however, we exclude the 60 financial measures already mentioned, the proportion stands at 271 to 466, or about 58 per cent. In one sense these figures are misleading, since it is clear that a Bill may be introduced an indefinite number of times, but can be passed only once. But even when that allowance is made, it will be seen that the position is anything but satisfactory. During the two Parliaments of 1900 and 1906 the number of separate Bills which failed to pass on one or more occasions was 154. By the end of 1910 65 of these had succeeded in reaching the Statute book in one form or another. In other words, in the course of nine years, nearly 90 separate Government Bills were lost in the press of business.

The figures for the 1900 Parliament—figures which may now be taken as final and complete—suggest other and pertinent considerations. The figures are as follows:

Number of Government Bills introduced into but not passed by the House of Commons	98
Bills passed in subsequent sessions of the same Parliament	14
Bills passed in 1906 Parliament	31
Bills introduced into but not passed by 1906 Parliament	7
Bills neither introduced into nor passed by 1906 Parliament	46

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These figures make it clear beyond a shadow of doubt that a considerable portion of the unsuccessful legislation is both necessary and uncontentious. An outgoing Government left a legacy of eighty-four Bills in arrear. A new Government, fresh from a long period of opposition, took up and endeavoured to pass 45 per cent of these legislative waifs. Here there could be no question of political considerations; even the most factious opposition was practically out of the question. Yet, even in these favourable conditions, seven of the Bills failed to become law. Forty-six were left altogether in limbo; and all the time the Government were piling up arrears of their own to the extent of thirty-six Bills.

Table C shows the complete gross figures from 1900 onwards; but a few specific examples may serve to throw a clearer light on the very real nature of the difficulty. Table D therefore takes a few Bills and shows the progress made with them in successive sessions. Two of the subjects dealt with were sufficiently important to be mentioned in the Speech from the Throne. Lunacy was so mentioned no less than three times, and Scottish Education twice. Yet it was only after an interval of eight years that measures dealing with these two subjects were placed upon the Statute book. Scottish Education was remotely in the nature of a contentious or disputable topic; but, even so, it was read a second time in 1908 without a division, and occupied only three days in the House itself. The rest of the Bills were tame departmental measures, which occupied no appreciable portion of Parliamentary time even in their final passage through the House. They were simply crowded out session after session.

The most satisfactory feature of the matter is the insignificant amount of time which is spent on these legislative failures. The figures will be found at the end of Table B. The year 1908 shows the worst record; and in that case the time was spent on an honest though unsuccessful attempt at compromise on the Education question. It is certainly some consolation to know that the slaughtered innocents

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are innocent indeed: but to the parents such considerations can afford but poor comfort.

It is important to bear in mind that all the figures given above relate only to Bills actually drafted and actually introduced. They represent not the needs of the departments or of the country, but the immediate expectations of the Government. There are other questions, urgent and vastly important, with which no Government has had the courage to grapple, and which no House of Commons has been called on seriously to consider. A survey of Table K showing the legislative results of the Royal Commissions of recent years will convince the most casual enquirer that the only subjects which have received frequent and detailed attention are those which possess a definitely political character. Of the other Reports some have been dealt with tentatively and only after long delays; some again have produced no result at all. Let us take, by way of detailed example, the question of the adjustment of local and Imperial taxation. For many years the ratepayers of the country have suffered under a crying grievance. Local authorities, broadly speaking, are dependent for their revenue on a single tax, and out of the proceeds of that tax they have to meet not only purely local expenditure, but also part at least of the cost of police and criminal prosecutions, main roads, education and poor relief—all of them services which are admitted to be national. The amount of rateable property occupied by a man is a most fallacious test of his ability to contribute to these expenses. Consequently the ratepayer claims that such burdens should be borne on the broader back of the taxpayer. Further, as the rateable value of a district decreases there is a natural tendency for the demand upon the rates to increase; and this tendency, combined with differences of valuation, produces enormous inequalities throughout the country.

Before 1888 some measure of relief was provided by grants from the Exchequer for specific services. In 1884-5, for example, these grants reached the considerable total of

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£3,621,508. In 1888 the late Lord Goschen, then Chancellor of the Exchequer, made an effort to find a permanent remedy by allocating certain taxes to the relief of local burdens. His object was two-fold: firstly, to provide an automatically increasing revenue for local purposes, and secondly, to make personalty contribute to local burdens. The method of attaining the latter object, modified as it was by Sir William Harcourt's revision of the death duties in 1894, was never very effective: the former object was so incompletely realized that Lord Salisbury's Government found it necessary, in 1896, to appoint a Royal Commission to inquire into the whole matter. The first fruits of the labours of that Commission are to be found in the Agricultural Rates Act, 1896, and the Tithe Rentcharge (Rates) Act, 1899—Acts which relieved certain classes of rural rate-payers at the expense of the Imperial Exchequer. The final Report of the Commission was issued in 1901. It advocated no sudden or violent remedy, but it did recommend certain immediate reforms, and it did emphasize the need of a speedy remedy. For ten years that Report has been before Parliament and before the public, and no substantial reform has even been proposed by a Government. It is true that the Finance Act of 1907 contained a book-keeping reform, the object of which was, in the language of the present Prime Minister, "to clear the ground . . . for a future resettlement, I hope on equitable grounds, of the whole relations between the central authority and the local authorities." It is true again that by the Finance (1909-10) Act * certain additional revenues were assigned to the local authorities, the most important of which were handed back to the Exchequer, for a substantial consideration, under the Revenue Act, 1911. On every occasion on which the subject has been raised in either House of Parliament, the spokesmen of the Government have been full of fair words and

* Incidentally it may be noticed that this Act, by placing taxes on *immobilia*, diverts to the Imperial Exchequer a stream of revenue which is theoretically available for local purposes.

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fairer promises. Chancellors of the Exchequer have been sympathetic, but, if they moved at all, they moved along the line of least resistance. They have studied palliatives, not cures. They have made no serious effort to deal with the subject as a whole.

The history of the House of Commons in the matter has been curious. It has always been dimly in favour of readjustment: but where resolutions dealing with the subject have been conceived in a spirit hostile to the Government of the day, party discipline has triumphed over pious opinion.

Thus, for example, on February 18, 1908, a motion was carried *nemine contradicente*, which ran:

“That . . . the present system of local taxation and the relation between local and Imperial burdens demand the immediate attention of His Majesty’s Government, with a view to a more equitable distribution as between local and Imperial obligations.”

The Government accepted this resolution, subject to certain reservations as to the meaning of the word “immediate.” First of all, said the present Prime Minister, let us get a Valuation Bill and secure uniformity in that matter: then we will go on to consider the wider questions of justice. Unfortunately the Valuation Bill which figured in the King’s Speeches of 1907 and 1908 has since been denied even that uncertain honour, though the valuation sections of the Finance (1909-10) Act have done something to remove preliminary difficulties. In any case in the following session the Government were compelled to use the party machine to defeat an amendment to the Address moved from the Opposition side in the terms:

“But we humbly regret that Your Majesty’s Government has not foreshadowed any reform in the present system of local taxation and in the relation between local and Imperial burdens which this House declared on the 18th February, 1908, to demand the immediate attention of Parliament, with a view to a more equitable adjustment between local and Imperial obligations.”

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The truth is that though Parliament has long been abstractly in favour of a far-reaching reform, it is not prepared to make a fighting question of it. There is no party enthusiasm to drive the problem into the forefront of political controversy. At the same time it is too big a problem to be settled in the odd moments of an overcrowded session. Any reasonable Bill would probably win the general assent of the House of Commons; but any conceivable Bill would indubitably give rise to prolonged debate on questions of detail. Governments cannot afford the luxury of prolonged debate unless they receive in return something in the way of partisan credit. Consequently a problem of this kind is precisely the problem with which Parliament is ill-fitted and, indeed, almost incompetent to deal.

In this particular case the incompetence of Parliament is more than a curiosity; it is a disaster. The problem was difficult and complex enough in the '80's; it becomes more difficult and more complex with every year of delay. Every year the Imperial Parliament places new obligations on the local authorities without making adequate provision for the cost. Every year the central departments become more exacting in their demands for the fulfilment of existing obligations. The figures themselves give no uncertain indication of the growth in the extent of the problem. In 1884-5 the aggregate sums handled by local authorities amounted to £54,499,067; in 1894-5 they had risen to £73,096,462; in 1907-8 they reached £137,756,785. The amount raised by rates has risen from £25,666,552 in 1884-5 and from £33,855,283 in 1894-5 to £59,627,577 in 1907-8. It is true that the Exchequer grants have increased more than proportionately, and that in 1907-8 they reached the total of £20,635,503. But the main grievances remain unredressed. The ratepayer must still bear the lion's share of the burden out of the proceeds of his single tax; and the time will come when local authorities will be unable to carry out their obligations efficiently because their sources of revenue are dried up. Glaring inequalities again in the matter of the

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incidence of taxation not only remain unremedied, but with the increase of expenditure become more glaring still. Much of the difficulty may be due to extravagance and reckless piling up of debt on the part of local authorities; but none the less it will be admitted that the equitable distribution of national burdens should be the first duty of a Government and of a Parliament. Yet while a Commission, often accused of dilatoriness, completed an exhaustive inquiry in five years, the combined efforts of both political parties throughout ten years have not produced the bare outline of a coherent reform. They have not led even to the introduction of an abortive Bill, but only to the appointment of a Departmental Committee "with a view to the introduction of legislation at an early date."

The difficulty, however, is not confined to far-reaching questions like the relation between local and Imperial taxation. The history of Private Bill Legislation, so far as it affects local authorities, is largely the history of the attempt to remedy by means of Local Acts the weakness and deficiencies of the Public Health Acts. For the last twenty years or so the House has appointed a special Committee—known successively as the Police and Sanitary, and the Local Legislation Committee—to consider Private Bills containing provisions of this character; and the Public Health Act of 1907 is in effect a codification of the Committee's decisions. A paragraph from the Committee's Report of 1911 affords an example of the incapacity of Parliament to deal with the most ordinary legislative problems—an example comparatively trivial perhaps, yet not on that account the less significant. The paragraph in question is as follows:

"Your Committee have frequently been approached to remedy an omission in the general law which provides no satisfactory definition of the term, 'common lodging house.'

"While refusing to insert such definition in private Bills, your Committee are conscious that the present

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defective state of the law allows many common lodging-houses throughout the country to escape a much needed supervision.”

This paragraph draws attention with almost pathetic solemnity to what, in one aspect at least, is a delicious absurdity. The Public Health Act of 1875, while containing provisions—and penal provisions—as to common lodging-houses, gives no definition of that term at all. The only guidance afforded to an authority applying the Act is an opinion given by the law officers of the Crown in 1853—an opinion which is worth quoting for the sake of its unashamed inadequacy:

“It may be difficult to give a precise definition of the term, ‘common lodging-house,’ but looking to the Preamble and general provisions of the Act [14 and 15 Vict. c. 28], it appears to us to have reference to that class of lodging-houses in which persons of the poorer classes are received for short periods, and, though strangers to one another, are allowed to enter one common room. We are of opinion that it does not include hotels, inns, public-houses or lodgings let to the upper and middle classes.”

That has been the law, so far as there has been a law at all, for the last fifty-eight years. Not unnaturally local authorities which have to administer the law are dissatisfied with these vague, if picturesque, descriptions. Lancaster and Southport in 1900, Padiham in 1908, Luton and St Helen’s in 1911 have striven to lead the way where the Imperial Government were impotent. It is true that they have failed; and that “common lodging-house” still lacks even a local definition. But it is worth while to notice the remarks of the Chairman of the Committee on the Luton case:

“I should think the members of the Committee sympathize with your case, only unfortunately the same powers have been refused to Padiham. Probably the Committee will feel—I have not had an opportunity of consulting with all the members—that it is

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hardly our duty to lay down such conditions as these, which ought to be the common law.”

They “ought to be the common law”; but it is already thirty-six years since the Public Health Act received the Royal Assent. That is an illustration—one illustration among many—of the efficiency of our existing legislative machinery.

Further, it ought to be remembered that in relation to the Public Health Acts the local authorities are largely in the same position as the public departments in respect of more general legislation. The needs of the local authorities must be publicly stated and publicly discussed in the ordinary course of Private Bill procedure: the needs of the departments to a great extent must be the object of mere conjecture. But if the insufficiencies of a particular series of Acts like the Public Health Acts can be proved to demonstration, it can hardly be questioned that the present legislative output is but a trickle in the desert to the requirements of the departments.

It is indeed obvious on the face of it that a great deal of our statute law is out of date. The sale of patent medicines with all their attendant evils and attendant frauds is regulated by Acts of the reign of George III, or at best by the Pharmacy Act, 1869. Certain parts of the Public Health Act, 1875—that, for instance, dealing with the disposal of sewage—have been left untouched for thirty-six years. Purity of water supply is safeguarded only by an Act of 1878. Dental quacks flourish under an Act of the same year. The traffic in obscene publications is controlled by inadequate Acts of 1824 and 1857. The whole law relating to public entertainments is hopelessly antiquated. An unqualified chemist is only prevented from prescribing for his customers by the Apothecaries Act, 1815. These are all subjects which have been profoundly modified by the changed conditions of modern life, by the advance of science, by the increase of education, by the gradual inscrutable changes of habit and of fashion. They are just as important to the well-being of the community as the ques-

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tions which win or lose general elections. But, because they are non-political, they are thrust perpetually into the background, and nothing but the heroic pertinacity of a conscientious minister can secure them even the perfunctory attention of the Cabinet and of Parliament.

This then is the difficulty, that the legislative requirements of the country are too great for the available Parliamentary time. The difficulty could clearly be met either by prolonging the sessions of Parliament, or by devoting to legislation a larger proportion of the time available.

As regards the first alternative, we have taken 140 days as the average length of the modern session. Table E gives a complete record of the number of days and hours during which the House of Commons has been in actual session since the year 1831. It may be well, for the sake of clearness, to reproduce the figures here in the form of decennial averages:

Years	Average number of days	Average number of hours
1831-2—1841	131·3	1000·65
1842 —1851	128·1	1015·17
1852 —1861	120·3	933·08
1862 —1871	115·3	894·69
1872 —1881	123·9	1042·22
1882 —1891	137·4	1186·13
1892 —1901	128·6	1078·74
1902 —1910 (9 years)	141·5	1203·76

From these figures it is clear that there has been a considerable increase in the demands on the House of Commons since the middle of the century.* The labours of the last few

* How great has been the increase since still earlier years is shown by the following extract from Speaker Abbot's Diary at the close of the session of 1808:

"Monday, July 4. . . . The most laborious session for hours of sitting ever known within living memory of the oldest members or officers of the House.

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years were never equalled, even in the enthusiasm of the first Reform Parliament; and, in spite of the closure and the eleven o'clock rule, the increase in the number of hours is more pronounced than the increase in the number of days. Further, the last figures include the abnormal session of 1910, which was the shortest in point of hours since 1865. If we follow the practice adopted in most of the other tables, and exclude 1910 as being a year of very special and peculiar circumstances, the years 1902-1909 give us the figures, 146.4 days and 1269.93 hours—an increase of nearly 10 days and of nearly 100 hours over the highest preceding averages.

In spite of this, however, it may be said that 140 days is a short enough period, amounting only to seven months in the year, even when allowance is made for recesses. But whatever may be our abstract opinions on the ethics of politicians' holidays, we must be driven to admit that the sessions of the 1906 Parliament were as long as was compatible with political endurance, even if those of the 1900 Parliament were as short as was compatible with modern political decency. So long as the House of Commons is composed largely of men who have their livings to earn in the law, in medicine, or in commerce, so long will it be necessary to leave a substantial portion of the year free from Parliamentary activity. More than this, it is essential that the politician should have leisure to think, read and prepare, and generally to study the needs of the locality he represents. If the sessions were to be further prolonged, the private member would labour under the same disadvantage as the minister to-day.

For even when the professional politician is with us, if come he must, there will remain one essential difficulty over which neither his salary nor his abundant leisure can tide

There were 111 sitting days, amounting to 829 hours, averaging seven and a half hours a day. Since Easter to the close of the Session rarely less than ten or eleven hours every day" (*Diary and Correspondence of Lord Colchester*, vol. II, p. 158).

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us. It must always be remembered that the work of the House of Commons is reflected on the work of the Cabinet; that when Parliament is sitting the Cabinet's deliberations must necessarily be occupied with details of immediate procedure, with questions of tactics, or even with the eternal problem of squeezing the work of five days into one day. The pressing problems of to-day leave no time for the consideration of the policy of to-morrow. An autumn session means that the next year's Bills are presented to the House of Commons in an inchoate and undigested condition, and often cannot be produced at all for weeks and months. It means that precious time is wasted marching and counter-marching in the following year, simply because the general plan of campaign has never been adequately drawn or discussed. It means too that an intolerable strain is placed on ministers who have to deal the whole year round with the double demands of the Treasury Bench and the department they ostensibly control. It promotes administrative incompetence and legislative barrenness, and ensures nothing but personal strain and inconvenience.

In connexion with the second alternative—that of limiting the non-legislative activities of Parliament—it will be well to compare Tables A and F, which are designed to show the same facts in different forms. Table A deals with the technical character of the debates; Table F shows the subjects with which they deal.

Under the heading of Finance there is little room for criticism. The annual adjustment of revenue and expenditure is too wise and too prudent a practice lightly to be cast away; and, in spite of a very elaborate procedure, the time spent is not disproportionate. For it must be borne in mind that the session of 1909 was occupied not so much in arranging for the finance of the current year as in devising a new system of taxation which would bear fruit only in subsequent years. There was, in fact, more machinery than money in that particular Finance Bill.

Under the heading of the Empire are included the days

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of Supply devoted to Army and Navy Estimates, discussions of the fiscal question, questions of inter-Imperial communication, and of Imperial and foreign policy. Similarly, under the heading of Miscellaneous, are classed the votes of Supply for the Home Office, Local Government Board, Board of Trade, Board of Education and Board of Agriculture, to say nothing of the minor departments; also home industrial problems, such as the question of the unemployed, strikes and lock-outs, shipping, mines and factories; it includes too Parliamentary procedure and the relations between the two Houses. If there be any value in Parliamentary criticism, and consequently in Parliament itself, it can hardly be maintained that 19·5 days in the one case, and 21·6 in the other, are excessive annual allowances for the discussion of these manifold topics. Under the other headings the chief ground for surprise lies in the smallness of the figures. India requires less than two days a year. The three older Dominions receive only three days in the whole ten years. Egypt and the Crown Colonies receive practically no attention, except that given to them on the Foreign Office and Colonial Office votes. In spite of the war, and of the many difficult problems which followed it, South Africa has an average of only 4·8 days. The time given to Ireland alone may seem disproportionate; but the discussion of Irish grievances will never be limited by anything but the iron hand of sternest necessity.

If we turn back to Table A, which gives the technical classification, the prospects of effecting a substantial economy of time are not more hopeful. Taking first Supply, as the most considerable item, we must once more face the fact that it provides the only opportunity for a systematic and periodic survey of the work of numerous and increasing departments. Further, it must be remembered that the legislative union of the United Kingdom has never been accompanied by complete administrative union. The Secretary for Scotland wields the powers of at least four heads of English departments, while the Chief Secretary for

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Ireland is responsible for more Boards than a mere Englishman can number. This fact makes it essential that special days should be devoted to Scottish and Irish Supply. When these are added to the days required, and rightly required, for the Imperial services, it will be apparent that not many days are left for the discussion of purely English affairs. But perhaps it is simpler to let figures speak for themselves. Under the Standing Orders, at the conclusion of the proceedings on the last day but one allotted to Supply, the Chairman proceeds to put the question upon all the votes outstanding in Committee. The sums voted under this provision—that is to say, voted without a single word of debate—have been as follows:

	£		£
1900 . .	3,591,877	1906 . .	15,727,746
1901 . .	67,706,671	1907 . .	50,844,895
1902 . .	12,088,571	1908 . .	33,157,478
1903 . .	5,231,117	1909 . .	57,836,901
1904 . .	31,124,231	1910 . .	52,615,286
1905 . .	50,619,241	1911 . .	67,046,752

It is perfectly true that the amount of discussion required for a Vote cannot be measured directly by the number of millions involved; but it is significant that the figures show a very decided tendency to increase. In any case they demonstrate that the limit of time at present imposed by the Standing Orders involves a very severe curtailment of debate. The process may certainly be carried further, but the process itself is the negation of Parliamentary government.

As regards the debate on the Address, it must be admitted that its practical utility is not obvious—at all events when a Government is securely entrenched behind the fortifications of the party system. Still, the topics discussed are usually of first-rate importance, and the debate is often useful from a political point of view as forcing the Government of the day to show its hand. Further, it is undoubtedly

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true that without the debate on the Address there would be a great increase in the number of votes of censure and of declaratory resolutions dealing with current political problems. Certainly such motions would have a far stronger claim upon Government time, and they would be discussed on dates far more inconvenient from the point of view of public business.

It becomes tolerably clear then that if a sacrifice is to be made, it must be made at the expense of unofficial members; and it will be convenient to deal at the same time with private members' motions and with private members' Bills. It must be admitted at the outset that the day is distant as yet when it will be possible to throw away all pretence of the initiative of the private member, when it will be admitted frankly that legislation is the business of His Majesty's ministers to the exclusion of all others, and that criticism must be limited to the opportunities afforded by Government business. Raids have been made by the Government, and will be made again, on the sacred Tuesdays, Wednesdays and Fridays of the early part of the session—the days when the Standing Orders provide that Government business shall not have precedence. But the House of Commons will be slow formally to abandon a tradition and a principle for the sake of a very slight economy of time. It is impossible too to deny value to these evenings of pious opinions, subject though they are to the caprice of the ballot. They often serve to keep alive serious problems with which the Government find it impossible to deal at the moment. Sometimes, indeed, the range of discussion is so wide as to become almost farcical. On one evening in 1900, for example, the House set itself to discuss famine and plague in India, the representation of the Dominions in the Imperial Parliament, Irish Private Bill legislation, and, lastly, a County Courts Bill. With this remarkable evening we may profitably compare May 15 in the same year, when the House divided its attention between the registration of plumbers and the question of

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immoral plays in London theatres. It is easy to smile at miscellanies like these; but we must not forget that each motion affords some scope for individual ambition, and that individual ambition must always be a main driving force in the political life.

Much the same may be said in favour of private members' legislation. Taken by itself, it suffers from the defects consequent on absence of expert knowledge, want of familiarity with departmental practice, and unskilful draftsmanship. But the Fridays do serve as a non-committal test of the trend of opinion on a particular question; and these fleeting phantoms of Bills may well serve as guides or as cautions to a Government proposing similar legislation. The Friday afternoons, it must be added, are all but useless for the purpose of making up legislative arrears. The figures on Table B show how few are the private members' Bills which make their way through the House of Commons; and, of these few, only a proportion have been discussed on Friday afternoons. The rest are of that harmless, obscure type which obtains a second reading after the time for opposed business has elapsed. The following figures* speak for themselves:

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
Fridays devoted to Private Members' Bills . .	14	13	15	13	12	14	14	12	16	13
Bills discussed which passed .	3	2	5	3	3	2	0	4	9	1
Total number passed . .	15	4	14	14	10	8	5	10	18	9

These scanty results are not so much a matter for regret as a satisfactory proof that the country is safeguarded against

* The table does not take account of Bills adopted at a later stage by the Government; or of Bills which contrive to pass through a stage after five o'clock. But it does include Bills which have precedence after Whitsuntide, on account of the advanced stage they have reached.

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irresponsible legislation of an important character. The case against these Friday afternoons must be that they are dull and unprofitable. We have endeavoured to show that they are not wholly unprofitable. They may often be dull; but, even if they are both, it is useless, for reasons stated above, to look immediately for any such drastic restriction as would materially increase the time available for Government business. The pressure is too great to be relieved by the grant of an extra Friday or two, or even of every Tuesday before Easter.

If then the session cannot profitably be prolonged, and if it is impossible to effect any appreciable saving in the Parliamentary time devoted to non-legislative purposes, it only remains to be seen whether under existing conditions the limited time available can be more fruitfully employed. This is a question which has occupied a considerable amount of Parliamentary attention in recent years, and the changes effected have been sufficiently wide and sufficiently important to justify the drawing of something like a definite conclusion. It is a significant fact that, of the ninety-five Standing Orders which regulate the public business of the House of Commons, no less than thirty-four deal in one form or another with the restriction of debate. But, practically, the question limits itself to the various forms of closure and the practice of devolution to Committees.

Table G shows the figures of the closure. It might have been expected that the figures of the ordinary closure would vary, roughly, in inverse ratio to those of the guillotine. This is to a certain extent true; since the years in which the ordinary closure was most frequently applied were 1902, when the Education Bill was only partially guillotined, and 1909, when the Finance Bill was not guillotined at all. But, taking a broader view of the figures, we may say that there has been a marked advance in favour of the guillotine, but that there has not been a proportionate diminution in the use of the ordinary closure. The Government have not dis-

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carded one weapon in favour of another: they have found it necessary to keep both in active use. That is one significant fact. The second is this, that the newer weapon is devised for the purpose of carrying legislation, and for no other purpose. The ordinary closure is useful enough as a means of foiling obstruction on the particular question before the House, or of preventing a Bill from being "talked out." But it is of comparatively little use for the purpose of meeting, not merely obstruction, but full and well-informed debate on the details of a Bill. The guillotine is a brutally efficient weapon; but it is also, by universal assent, clumsy and unsatisfactory. It does not hasten Parliamentary debate; it merely dispenses with it. It leads inevitably to Acts of Parliament which are ill-drafted and possibly inconsistent. Its adoption as a regular incident of Parliamentary life is the supreme admission that the House of Commons is incompetent to perform its legislative work under existing conditions.

The selection of amendments by the Speaker or Chairman—the so-called "Kangaroo" closure—is a more refined expedient. But it adds omniscience to the many qualities already demanded of the Chair; it leads to unseemly and unprofitable wrangles between the Chairman and disappointed members; and it contains untold possibilities of blunders in the way of neglected consequential amendments. It is too early yet to speak as to its efficiency. On the few occasions when it has been applied, it has been applied drastically. But, like all forms of closure, it hastens Parliamentary procedure only by making it superfluous. There is something to be said for government by an autocrat; and there is something to be said for government by a deliberative assembly. But there is little indeed to be said for government by an assembly which is not permitted to deliberate.

If the closure works by means of curtailment, devolution to Committees works by the method of duplication. It seems a simple arithmetical proposition to state that four

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Standing Committees will get through four times as much work as one Committee of the whole House. Arithmetic also seems to lend its support to the proposition that 82 members will talk a great deal less than 670. Neither of these propositions is true without considerable qualifications: but it is beyond question that Standing Committees have done excellent work. The level of debate is high—not infrequently far higher than that in Committee of the whole House. Discussion is freer, just because a Government defeat is a matter of small moment; and, consequent on the partial relaxation of party bondage, there follows the inclination of all parties to unite in producing the best possible Bill. Undoubtedly, too, the system of Standing Committees has enabled many a Bill to reach the Statute book which would otherwise have perished. Table H shows the number of Government Bills referred to Standing Committees and the time spent on their consideration. The results are in no sense startling, but it is obvious that a substantial amount of time has been saved from Committee of the whole House. The Standing Committee system however has its limitations and its disadvantages. In the first place, its good qualities are seriously diminished unless the Bill under discussion is of a politically non-contentious character. Obstruction and party tactics are as easy upstairs as they are downstairs; and in Standing Committee they cannot be met either by the guillotine or, normally, by the “Kangaroo” closure. The Bills which arouse bitter party feeling must, in accordance with the traditions of the House, be discussed on the floor of the House, and must usurp the lion’s share of the time available for legislation. In the second place, there is a strong tendency to expect and demand greater latitude on the Report stage than is accorded in the case of a Bill discussed in Committee of the whole House. Consequently a certain deduction must be made from the time apparently saved. In the third place, Standing Committees are manned by the same members who have to get through the work of the House itself; and

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constant service on a Standing Committee—or, indeed, on any other Committee—is no slight addition to the strain of a session. If it means nothing else, it means the substitution of a nominal twelve-hour day for a nominal eight-hour day. To demonstrate the reality of the strain Table J has been drawn up, showing the number of members appointed to serve on the main classes of Committee during the last eleven years, and the number of days occupied by the sittings of those Committees. A certain number of members appear in more than one class; but, on the other hand, it must be remembered that not all the 670 members of the House are available for Committee work. Tenure of public office, the claims of business or of the Courts, ill-health, or the burden of advancing years absolutely preclude a large proportion of members from giving their services in the morning; and the strain on the remainder is proportionately increased.

The House of Commons, then, on its own initiative has found alleviations for its growing difficulties. It has even toyed with such remedies as the limitation of the length of speeches. But it has failed to find any permanent cure. The difficulties have a way of growing faster than the alleviations; and after ten years of constant changes of procedure, it is impossible to maintain that the legislative horizon is any brighter or any clearer. The congestion is, if anything, more pronounced, and it has become tolerably clear that no mere adjustment of existing machinery can avail to relieve it. It is not the purpose of this paper to propose remedies. It is enough that it should enforce the ominous fact that it is not the fury of political parties which endangers the Empire so much as the total inadequacy of the central machinery to discharge the functions imposed upon it by modern conditions.

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REMARKS ON THE TABLES

(1) The following tables, so far as they deal with time, are worked out to the nearest working day, to the neglect of fractions, except in the case of Table A, where it has been necessary to take half-days into account. A blank means that no appreciable time was spent.

(2) The time spent on "guillotine" resolutions is reckoned with the time spent on the Bills to which the resolutions refer.

(3) In the Tables where averages are taken, the year 1910 is excluded on the ground of its exceptional character. For the sake of completeness, however, the figures for 1910 are given in the last column.

(4) A Bill is deemed to have passed if it passed through all its stages in the House of Commons.

(5) No account is taken of the time spent on opposed Private Business, a good proportion of which is considered after 11 o'clock in pursuance of guillotine resolutions.

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TABLE A.

Showing amount of time spent on the routine work of the Session
1904—1908.

SESSION	1904	1905	1906	1907	1908	Average
FINANCE:						
Budget and Financial Legislation	14	9	4	11	8	9·2
Indian Budget	1	1	1	2	1	1·2
Supply and Consolidated Fund Bills.	34½	33½	27	25½	26½	29·4
NOTICES OF MOTION:						
Address	14	11½	6	7	7	9·1
Adjournments under S.O. 10	3½	4½	2½	1½	1	2·6
Private Members' Motions	8½	9½	9½	8	10½	9·2
Adjournments (Easter, Whitsuntide, etc.) . .	1½	1½	3	1½	3	2·1
Declaratory resolutions, votes of censure, etc. .	2	2	2	5½	4	3·1
Days unavailable for business	1	2	4	1	4	2·4
Total	80	74½	59	63	65	68·3
Private Members' Legislation	12	15	14	12	16	13·8
Government Legislation . .	32	24½	83*	56†	90	57·1
Total number of sitting days .	124	114	156	131	171	139·2

* Rather more than one day was occupied with procedure.

† Five days occupied by procedure.

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TABLE B.—Showing Bills mentioned in King's Speech, introduced and passed, together with time spent on abortive legislation.
 [Hybrid Bills are not included unless specially mentioned.]

SESSION	1900		1901	1902	1903	1904	1905	1906	1907	1908	1909	Total	1910
	2	Sessions											
<i>Bills mentioned in speech from the Throne:</i>													
Introduced or brought from Lords	11		10	7	10*	12	13	16	13	11*	12	115	1
Rejected in House of Commons	—		3	5	8	7	11	10	9	11†	10	84	1
Passed House of Commons	7		3	4	6†	3	4	9	7	7*	7	57	—
Percentage passed	63·63		33·33	57·14	60·00	25·00	30·76	56·25	53·84	63·63	58·33	49·56	00·00
<i>Other Government Bills:</i>													
Introduced or brought from Lords	56		49	40	47	46	57	67	55	60	49	526	40
Rejected by House of Commons	—		—	—	—	—	—	—	—	—	—	—	—
Passed House of Commons	42		32	22	29	23	13	45	41	47	37	331	31
All Government Bills—percentage passed	74·27		67·30	57·77	63·63	49·05	25·00	70·13	75·00	76·05	74·57	63·60	75·61
<i>Private Members' Bills:</i>													
Introduced into House of Commons	162		152	174	174	144	165	198	165	225	198	1757	179
Rejected by House of Commons	5		4	3	3	2	4	2	1	2	3	29	—
Passed	15		4	14	14§	10	8||	5	10	18	9	107	7**
Percentage passed	9·24		2·63	8·05	8·05	6·94	4·84	2·52	6·06	8·00	4·54	6·09	3·91
<i>Time spent on abortive Legislation (computed) excluding time spent on Bills rejected:</i>													
Government Bills	1		2	—	1	8	3	1	1	13	1	31	10††
Private Members' Bills	7		6	8	9	6	9	6	8	12	11	82	3

* Including 1 Hybrid Bill. † 1 Bill suspended till following Session not included. † Including 2 Education Bills.
 § 3 Bills dropped in House of Lords. †† 2 Bills passed both Houses, but Lords' amendments were not considered.
 ** 1 Bill dropped in the House of Lords. †† These days were spent on the Resolutions preliminary to the Parliament Bill.

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TABLE C.—Showing subsequent course of Government Bills dropped in House of Commons.

SESSION	Number of Bills dropped		1901		1902		1903		1904		1905		1906		1907		1908		1909		1910	
			Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.	Intro.	Passed.
1900	17		4	3	—	—	—	—	5	2	—	—	1	1	1	—	1	1	—	—	—	—
1901	17		—	—	5	3	3	1	4	2	—	—	3	2	—	—	1	1	—	—	—	—
1902	19		—	—	—	—	5	4	3	1	—	—	3	2	—	—	1	1	2	2	—	—
1903	20		—	—	—	—	—	—	10	2	—	—	7	6	1	1	—	—	—	—	—	—
1904	25		—	—	—	—	—	—	—	—	2	2	9	8	3	1	4	4	—	—	—	—
1905	51		—	—	—	—	—	—	—	—	—	—	24	16	6	3	5	5	—	—	—	—
1906	28		—	—	—	—	—	—	—	—	—	—	—	—	14	8	5	5	1	1	—	—
1907	14		—	—	—	—	—	—	—	—	—	—	—	—	—	—	6	5	1	1	—	—
1908	17		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3	3	2	2	2
1909	15		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	2

The figures in the second column show the number of Bills dropped in each session. Those in the subsequent columns show the number of these Bills dealt with in subsequent sessions.

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TABLE D.
Showing progress made in successive Sessions with certain selected Bills.

TITLE OF BILL	1900	1901	1902	1903	1904	1905	1906	1907	1908
Alkali, etc., Works .	—	Passed House of Lords	—	Read 1°	Read 1°	Read 1°	Passed	—	—
Education (Scotland)	Queen's Speech : passed House of Lords	—	—	—	Committee stage: 5 days spent	King's Speech: Read 1°	—	Read 1°	Passed: 3 days spent
Light Railways . .	—	Read 1°	—	Read 1°	—	Read 1°	Read 1°	—	—
Lunacy	Queen's Speech : passed House of Lords	King's Speech (a Bill dealing with Ireland passed)	King's Speech	—	Read 1°	Read 1°	—	—	Passed
Marine Insurance .	—	—	—	Read 1°	Read 1°	Read 1°	Passed	—	—
Police Superannuation	—	—	Read 1°	Read 1°	Read 1°	—	Passed (1 day spent)	—	—
Telegraph Construction	—	—	—	—	Read 1°	Read 1°	Read 1°	Read 1°	Passed

THE CONGESTION OF BUSINESS

TABLE E.—Showing the number of days and hours during which the House of Commons sat in each Session, 1831-1910.

SESSION	No. of days.		No. of hours.		SESSION	No. of days.		No. of hours.		SESSION	No. of days.		No. of hours.	
	days.	h. m.	days.	h. m.		days.	h. m.	days.	h. m.		days.	h. m.	days.	h. m.
1831-2	140	1,187 0	160	1,193 41	1874	97	715 0	226	1,912 37	1893-4	226	1,912 37	226	1,912 37
1833	144	1,377 15	127	997 16	1875	121	1,001 45	113	951 8	1894	113	951 8	113	951 8
1834	117	1,139 45	136	1,044 18	1876	126	1,032 15	97	747 2	1895Ses.1	97	747 2	97	747 2
1835	128	1,010 20	110	867 27	1877	122	1,039 35	20	167 15	Sess. 2	20	167 15	20	167 15
1836	131	1,010 30	116	903 49	1878	136	1,140 40	124	1,120 55	1896	124	1,120 55	124	1,120 55
1837	115	755 15	111	892 42	1878-9	130	1,148 5	127	1,033 40	1897	127	1,033 40	127	1,033 40
1838	176	1,128 0	100	648 59	1880	121	1,040 5	119	996 46	1898	119	996 46	119	996 46
1839	128	894 30	145	1,244 29	1881	154	1,400 5	117	979 15	1899Ses.1	117	979 15	117	979 15
1840	141	937 30	116	921 2	1882	162	1,434 27	9	50 0	Sess. 2	9	50 0	9	50 0
1841	93	566 25	113	885 59	1883	129	1,163 30	113	949 5	1900Ses.1	113	949 5	113	949 5
1842	117	948 30	107	846 13	1884	126	1,102 50	9	53 25	Sess. 2	9	53 25	9	53 25
1843	122	999 30	111	862 46	1884-5	129	1,028 21	118	1,072 45	1901	118	1,072 45	118	1,072 45
1844	123	915 45	94	638 20	1886Ses.1	89	694 5	181	1,603 47	1902	181	1,603 47	181	1,603 47
1845	119	1,026 45	114	804 34	Sess. 2	31	239 45	115	1,051 17	1903	115	1,051 17	115	1,051 17
1846	139	954 0	128	1,043 1	1887	160	1,453 54	124	1,156 29	1904	124	1,156 29	124	1,156 29
1847	121	916 0	118	842 20	1888	160	1,386 43	114	1,049 9	1905	114	1,049 9	114	1,049 9
1848	170	1,407 30	119	932 43	1889	122	1,085 25	156	1,331 37	1906	156	1,331 37	156	1,331 37
1849	121	958 30	120	986 18	1890	125	1,088 43	131	1,109 11	1907	131	1,109 11	131	1,109 11
1850	129	1,104 14	129	1,104 40	1890-1	141	1,183 35	171	1,309 38	1908	171	1,309 38	171	1,309 38
1851	120	921 2	120	1,027 23	1892Ses.1	89	715 30	179	1,548 20	1909	179	1,548 20	179	1,548 20
1852	82	617 10	112	877 20	Sess. 2	7	38 0	103	674 27	1910	103	674 27	103	674 27

THE ROUND TABLE

TABLE F.—Showing distribution of time over various subjects of debate.

SESSION	1900 <small>2 Sessions</small>										Average 1910											
	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	Average	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	Average
FINANCE (exclusive of Supply and Consolidated Fund Bills)																						
GENERAL DEBATE relating to:																						
Empire (including Imperial forces)	9	19	13	6	14	9	4	11	8	69	16.2	15	18	21	23	27	24	17	12	15	18	19.5
Scotland	3	2	3	1	1	1	2	2	1	1	1.7	1	2	3	1	1	1	2	2	1	1	1.7
Ireland	8	12	13	3	8	14	7	8	10	5	8.8	1	—	—	—	—	—	—	—	—	—	—
Wales	1	—	2	3	—	—	—	1	—	—	.7	—	—	—	—	—	—	—	—	—	—	—
India	2	2	2	1	1	1	2	2	3	2	1.8	—	—	—	—	—	—	—	—	—	—	—
Canada and Newfoundland	—	—	—	1	—	—	—	1	—	—	.2	—	—	—	—	—	—	—	—	—	—	—
Australia	—	—	—	1	—	—	—	—	—	—	.1	—	—	—	—	—	—	—	—	—	—	—
New Zealand	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Africa	13	8	6	—	7	4	5	1	3	1	4.8	1	—	—	—	—	—	—	—	—	—	—
Egypt, Crown Colonies, &c.	3	3	1	2	1	1	1	1	1	1	1.5	3	—	—	—	—	—	—	—	—	—	—
Miscellaneous (including Supply for English services and procedure)	15	20	34	20	20	18	18	28	20	23	21.6	24	—	—	—	—	—	—	—	—	—	—
LEGISLATION:																						
<i>Government Bills relating to:</i>																						
Empire (including Imperial forces)	4	7	1	7	1	3	1	14	1	2	4.1	5	—	—	—	—	—	—	—	—	—	—
United Kingdom	7	5	2	5	4	13	28	9	25	12	11	10	—	—	—	—	—	—	—	—	—	—
Parts of United Kingdom	17	5	67	28	27	9	53	27	63	25	32.1	5	—	—	—	—	—	—	—	—	—	—
India, Dominions, &c.	3	1	—	—	—	—	—	1	1	5	1.1	1	—	—	—	—	—	—	—	—	—	—
<i>Private Members' Bills</i>	14	13	15	13	12	15	14	12	16	13	13.7	6	—	—	—	—	—	—	—	—	—	—
Blank days	3	3	1	1	1	2	4	1	4	2	2.2	12	—	—	—	—	—	—	—	—	—	—
Total number of sitting days.	122	118	181	115	124	114	156	131	171	179	141.1	103	—	—	—	—	—	—	—	—	—	—

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TABLE G.—Closure and Guillotine.

SESSION.	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
ORDINARY CLOSURE:											
Number of times carried.	19	74	81	13	44	45	61	45	40	124	13
GUILLOTINE.											
Number of Bills guillotined . . .	—	—	1	—	1	—	2	4	5	2	3*
Number of days guillotine was in operation	—	—	11	—	7	—	21	21	39	14	13
“KANGAROO” CLOSURE:											
Number of times carried	—	—	—	—	—	—	—	—	—	9	—

* Including the Resolutions preliminary to the Parliament Bill.

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TABLE H.—Government Bills referred to Standing Committees.

SESSION	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	Total
Number of Government Bills referred	7	6	3	8	5	—	18	18	15	10	3	93
Number of days spent on their consideration . .	22	18	10	26	14	—	52	74	93	23	1	333

TABLE J.—Number of Members appointed to, and number of Sitzings of Committees.

SESSION	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
Number of Members appointed to:											
Standing Committees	} 381	342	342	338	349	318	412	} 502* 146	496	441	355
Select Committees		133	116	122	127	99	102		118	226	155	128
Private Bill Committees . . .									105	88	80
Number of days Committees sat:											
Standing Committees	31	26	20	43	26	24	52	88	115	59	15
Select Committees	197	189	262	158	140	165	321	171	301	176	94
Private Bill Committees . . .	378	289	241	255	264	250	182	205	208	240	149

* In the course of 1907 the old Standing Committees on Law and Trade gave place to the four existing Committees. To avoid confusion no account is taken of Members appointed to serve on the old Committees in this Session. The sittings of those Committees however are included in the lower part of the column.

THE CONGESTION OF BUSINESS

TABLE K.—Showing legislative results of Royal Commissions which reported 1890-9. [Certain Commissions appointed to carry out permanent schemes are ignored.]

Subject of Enquiry	Date of Reports	Year in which acts were passed	Remarks
Aged Poor	1895	1908	In this and the subsequent cases it is not to be understood that the legislation carries out the recommendations of the Commission either wholly or in part, but only that it deals with the same problems
Agriculture	1894-7	1906, 1908	The Act was entirely contrary to the scheme of the Commission
City and County of London	1894	1899	
Civil Establishments.	1890	—	Legislation not required
Dominica	1894	—	" " "
Electrical Communication with Lighthouses & Lightships	1893-8	—	" " "
Explosions from Coal dust in Mines	1890-4	1896	The Act gave the Secretary of State power to make regulations
Financial relations between Great Britain and Ireland.	1895	—	The Commissioners made no specific recommendations
Horse breeding	1890-9	—	Legislation not required
Indian Expenditure	1896	—	
Labour	1892-4	'96,'00,'04, '06,'09, etc.	
Land Acts and Land Purchase Acts (Ireland)	1898	1901, 1903, '06,'07,'09	Some recommendations applied to England and Wales by Agricultural Holdings Act, 1908
Land in Wales and Monmouthshire	1906	—	
Liquor Licensing Laws	1897-9	1902, 1904, '06,'08,'10	[1901 See back, the final Report was issued in
Local Taxation	1894	1898	The law was slightly strengthened by the Local Government Act, 1893, and the Public Health Act, 1908
London University	1890-1	—	
Market Rights and Tolls	1890-1	—	A measure of co-ordination was effected by the formation of the Imperial Defence Committee, 1903
Metropolitan Water Supply	'93,'99	1902	
Mining Royalties	1890-4	—	Legislation not required
Naval and Military Departments.	1890	—	
Opium	1894-5	—	
Redemption of Tithe Rent Charge	1892	—	
Secondary Education	1896	1902	
Sunday Closing (Wales)	1890	1910	
Tuberculosis	1895-8	1903, 1907, 1908	The Act of 1903 applied only to Scotland, that of 1908 only to Ireland
Tweed and Solway Fisheries	1896	—	
Vaccination	1890-6	1898, 1907	
Westminster Abbey	1890-1	—	Legislation not required

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THE last few months have witnessed the passing of the "Volunteer system" in New Zealand. It has had a long trial, but has proved totally inadequate to provide the number of men required for home defence, and inefficient to secure the standard of training, the organization and equipment necessary for a fighting force in these days of highly organized and trained armies. The scheme was handicapped in a number of ways, but in particular by two circumstances that made success impossible. To start with, the volunteer system failed to get the men. Many who would have become most efficient did not come forward, especially among those who would have been likely to become officers. Even more serious was the difficulty the volunteer found in securing the time from his employment to put in the necessary amount of training and field work. The sacrifice was heavy and placed him at a disadvantage as compared with others who asked no concessions from their employers, giving their whole time to the ordinary business of life. How potent this factor was those who have experienced it know well, and they would agree that it is sufficient, unassisted by other arguments, to condemn the principle of voluntary service. The number of men required for the defence of New Zealand was stated to be 20,000 by Lord Kitchener, and 30,000 by the Chief of the Imperial General Staff; the latter estimate, in view of the fact that New Zealand is broken into two islands, being probably the safer. But enrolment under the old system fell far short of even the lower of these two figures, for during the last five years no more than about 11,000 adult volunteers were on the rolls per year. Moreover, organization was weak. A commandant was for many years at the head, but he was not allowed a free hand, and the Council of Defence which took his place was not much more successful.

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Important as these local considerations are, it must not be supposed that the Defence Acts of 1909 and 1910, which have displaced the volunteer system, were inspired by its defects alone, for the reforms now taking place involve nothing less than the reconsideration of the policy of sea control in Eastern waters. Not only have Australia and New Zealand reorganized their internal defences, but they have, after consultation with the Mother Country, faced the immense problem of sea control. The old arrangement by which Australia pushed a certain sum across the counter and received so much defence from Britain in return has gone, and New Zealand, though still continuing her subsidy, is revising her estimate of the wisdom of that policy.

The change of view is the result of a general awakening in Australia and New Zealand about the whole question of defence. The rapid movement of events in the East, including a change in the naval sway in the Pacific, has brought this matter from the rank of a rather academic importance to the very forefront of national questions. It has been recognized that the immigration policies of the Commonwealth and New Zealand must hurt the feelings and touch the pride of Eastern nations. The Imperial Conferences have done even more to give a new value to British sea power and to unity of control.

In passing, it is noticeable that the new sense of responsibility tends to fall short in one particular—the use of power in the peaceful settlement of international questions. Diplomacy has found no place in New Zealand politics, and our people are not in close enough touch with British diplomatic relations to understand their importance or the dependence of successful negotiation upon the power of might. It is true that of late years, and more especially since the passing of the naval predominance in the Pacific to our Eastern ally, New Zealanders have been forced to consider with some concern what may happen in Pacific seas even without the striking of a blow. Diplomacy has settled for a time the fate of Hawaii, Samoa, Tonga and the

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New Hebrides; but our small voice was raised against the settlement in Hawaii, we do not feel quite comfortable about Tonga, and we have grievances concerning the New Hebrides. Still, on the whole, it remains true that New Zealanders have not quite seen the inter-connexion between defence and diplomacy, and that, though they have recently given a great deal of thought to the former, they have tended to take the latter as they found it.

On both questions the papers laid before the Colonial Conference by the "General Staff" in 1907 and before the Defence Conference in 1909 have opened the minds of New Zealanders to a new set of principles.

"In the first place it must be clearly understood that naval supremacy is powerless, unaided, to bring a great war to a successful conclusion, a fact which has been proved by history of all ages. In the second place we must realize that the British Empire, with its vast land frontiers and Continental responsibilities, is confronted by dangers against which naval force can offer it little, if any, protection.

"In the case of a world-wide power like the British Empire our armies, without naval protection, would be tied to our shores, unable to move to the point of danger or to co-operate in any way. Similarly, our fleets without the support of sufficiently numerous and adequately trained defensive armies would be fettered in their action by the want of naval bases and by the fears of a defenceless population, whilst without strong and well organized military forces available for expeditionary action we should be powerless to protect our land frontiers, to co-operate with an allied power, to carry a war into an enemy's country or to bring it to a decisive issue. The whole history of the British Empire is an illustration of the fact that the two services are interdependent, and that its safety hinges upon their combined action and cordial co-operation." *

* Paper laid before the Colonial Conference, 1907. Prepared by the General Staff.

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Here, in a few lines, written by the most competent authorities, we have the principles which, if adopted, would in all probability provide for the stability and maintenance of the Empire. Every line should be pondered over and every word studied to discover the full meaning and intent. The interdependence of navy and army; what is necessary for a "decisive issue;" the vast land frontiers and Continental responsibilities; the reason for "naval bases;" "the fears of a defenceless population," which might insist on the offensive fighting vessels of the fleet being tied to their shores when they ought to be concentrated and seeking out the enemy's vessels in order to destroy them; the responsibilities to the "allied power;" "expeditionary action"—each one of these phrases is pregnant with meaning.

Convinced of the necessity of Imperial Defence, we have fallen in readily with the three broad principles laid down by the authorities in the Motherland:

1. That without superiority at sea our Empire cannot be maintained.

2. That schemes of mutual assistance in time of need should be prepared upon a definite system.

3. That it is the duty of each self-governing portion of the Empire to provide as far as possible for its territorial security.

The last point is of a different order from the first two, for it is a subject mainly for local arrangement, while the others depend upon the co-operation of a number of nations. It is proposed, therefore, to make a few observations upon it and then to pass on to the broader issue of New Zealand's relation in defence with other parts of the Empire.

The Defence Acts of 1909 and 1910 make provision for universal compulsory training from the age of twelve to that of twenty-five, with a further period of five years in the Reserve. The age is fixed thus early in order to reduce the demand made upon the time of young men from eighteen to twenty-five years of age. During this time the soldier will have to put in thirty evening drills, twelve

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half-holidays and seven days' continuous training in camp. These demands are small in comparison with the Swiss system, in which the recruiting-course (twenty—twenty-one years) consists of sixty-five to ninety days, the Auszug (twenty-one to thirty-two years of age) of seven or eight courses of eleven days each according to the branch of the service, and the Landwehr (thirty-two to forty years of age) of one course of eleven days. Whether the shorter time in the case of New Zealand can be compensated for by the training in the two earlier stages is a matter of experiment, but it is certain that the scheme will not achieve its object unless the junior cadets lay the foundation aright. The regulations, as issued, to some extent failed to recognize their true position in the scheme of training, and it is important that the advice of Lord Kitchener should be followed and that the military authorities should satisfy themselves that the foundation of the training is properly laid.

Registration of those liable to serve was completed on June 10, 1911, except in the case of the comparatively few who have been reminded of their obligation by the process of law. We have the assurance of the General Staff that "there is no reason why New Zealand should not have a thoroughly efficient citizen army in the near future." It is fortunate that the General Staff and the Commandant have entered upon their difficult task realizing that sacrifices have to be made, thoroughly sympathizing with those who have to make them, and earnestly desiring to meet employers and those who are liable for training in a helpful spirit.

"It is clear that the scheme must depend for its success upon the help and co-operation of the people themselves: not to have served in the national force should come to be regarded as a misfortune. The State will provide the means, the Permanent Officers, the N.C.O.'s and men the machinery, and the staff the skilled control, but the *people* must provide the spirit

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that will give life to the scheme and make the territorial force a national institution.”

These words of the New Zealand General Staff indicate the spirit in which they have approached the work, and with the support the people will assuredly give there is no reason to doubt the result.

Now that the above scheme for territorial defence is fairly upon its legs New Zealanders are considering how they can best co-operate both in military and naval matters with other portions of the Empire. And first in regard to military arrangements, New Zealand has accepted the dictum quoted above, “That schemes of mutual assistance in time of need should be prepared upon a definite system.”

The policy of New Zealand and the Dominions generally cannot be more clearly and concisely defined than in the words of the British General Staff:—

“ Their task is reduced to one of so adjusting their organization for home defence as to admit of the despatch, without delay and without dislocation, of whatever forces they may be prepared to send to the aid of the Mother Country, or of any other portion of the Empire. The necessity for early consideration of this great question of Imperial military policy is increased by the fact that, in proportion as danger threatens the heart of the Empire and compels the Mother Country to concentrate her naval and military forces, the immediate responsibility for the safety of the outlying portions of the Empire must tend to be delegated to her daughter nations, whose possession of alternative lines of communication might enable them to send prompt and efficient aid to some point, or to reinforce or relieve the regular forces of the Mother Country.

“ For instance, Australia and New Zealand are so situated that they might be able to send troops to reinforce India, or the garrisons of defended ports in Asiatic waters, at a time when it would be unsafe to despatch them from the United Kingdom by way of

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the Mediterranean. Similarly, a United South Africa might be able to raise a force not merely sufficient for home defence, but capable of giving effective assistance in the solution of any military problems which might arise upon the African Continent.* Canada is in the best position, perhaps, to render aid promptly should trouble arise nearer home, or to reinforce Australia."

All that has been done in New Zealand to carry out this policy is the provision in the Defence Act of 1909 that territorials may volunteer to go outside New Zealand as an expeditionary force. Indeed, it is difficult to see how more can be done until the training of the territorials and the organization have advanced so far that we can comply with the conditions laid down for such a force.

The smallest contingent which New Zealand might be expected to provide has not yet been stated, though the British General Staff has suggested that each Dominion should answer the question. It is not possible, therefore, to give accurate information at present; but probably an expeditionary force from New Zealand, to be of any real use, would consist of not less than a brigade of mounted rifles, a brigade of infantry, with the necessary medical army service corps and administrative details. The force would be of very increased value if accompanied by a brigade of guns. The conditions are "fighting efficiency," a system of war organization and training common to the various parts of the Empire, and uniformity in material. Time is required for fighting efficiency, and to prove whether the scheme as about to be carried out in New Zealand will provide sufficient training to produce an expeditionary force which it would be prudent to employ "against a highly trained and well disciplined army." The other conditions are being complied with. The development of the idea of a common system of war organization led

* Conference with representatives of the self-governing Dominions, 1909. N.Z. A.—4 A. p. 40.

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“His Majesty’s Government in December, 1908, to submit to the Governments of the over-sea Dominions proposals in regard to the formation of an Imperial General Staff.”*

The importance of this step to assist the common defence, and more particularly as an advance towards Empire consolidation, is second only to the Imperial Conferences themselves. The proposals deal with the preliminary and higher education of officers at staff colleges; they suggest local Staff Colleges, loan and exchange of officers, and the formation of an Imperial General Staff, “trained to think alike on all matters of principle.”†

It is the duty of our local branch of the Imperial General Staff to work out the details of the preliminary and higher education of officers and to study in consultation with the Chief of the Imperial General Staff the various strategical problems affecting the Dominion.

Before considering the first principle in the policy of Empire protection, namely, sea superiority, reference must be made to a second line of naval defence for Great Britain, as expounded by Sir Arthur Wilson, First Sea Lord, in an appendix to Sir Ian Hamilton’s book on *Compulsory Service*. This second line, as Sir A. Wilson terms it, is a mobile defence consisting of

“about 170 torpedo-boat destroyers and torpedo boats and fifty efficient submarines, with a number of swift cruisers as ‘mother ships,’ and many auxiliary vessels necessary to the efficiency of these mosquito craft.”

Some of these vessels may be detailed definitely for harbour defence, thus forming a powerful adjunct to the fixed or mobile land defences. They are all within wireless call, and their special duty is to take offensive action against ships of war or transports; and so effective are they considered

* Conference with representatives of the self-governing Dominions, 1909. N.Z. A.—4 A p. 40.

† Ibid. p. 44.

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by the Admiralty that "an invasion of Great Britain on even the moderate scale of 70,000 men is practically impossible." New Zealanders have an interest in "mosquito craft" as a second line of defence owing to the fact that at the request* of our representative at the Conference in 1909 the First Lord of the Admiralty agreed to divide the China Fleet unit and detach in peace time two of the three Bristol cruisers, three of the six destroyers, and two of the three submarines forming part of the unit, to be stationed in New Zealand waters. The ships were, as far as possible, to be manned by New Zealanders, their pay apparently being provided by the Mother Country, except the extra local rate pay for New Zealanders which has been customary and which has been treated as deferred pay, the £100,000 at present contributed to the Admiralty being used in part to pay the "difference in the rates of pay to New Zealanders above what would be paid under the ordinary British rate."

There are some distinctly unsatisfactory features about this arrangement. In peace time it breaks up the China Fleet unit, leaving the armoured cruiser, one Bristol cruiser, three destroyers and one submarine on the China station. As the advantage of surprise in striking the first blow will no doubt lead an enemy to dispense with any declaration or other definite warning, "peace time" seems to be an unknown quantity, and this disintegration of doubtful value.

Another unsatisfactory feature is the fact that the cost of construction of these boats, and apparently for the most part the manning and upkeep, are paid for by the British taxpayers. It is true that New Zealand will pay for the "Indomitable" armoured cruiser; still, it must presently injure our self-respect when we fully realize the situation. Presumably the mosquito vessels detached to New Zealand will act as a "second line of defence" whilst upon our coasts, one of the Bristol cruisers mothering the two submarines, and the

* Conference report 1909. A.—4 A. N.Z. p. 31.

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other being available for commerce protection. It is open to question whether New Zealand requires this second line of defence. If it be correct that the only probable form of attack we may expect would be three or four unarmoured cruisers landing from 1,000 to 1,500 men, then the mobile field forces and the fixed defences should be able to meet that. If, however, in view of the altered conditions in the Pacific, the attacker should come in strength, then the problem becomes a much more serious one and involves consideration of sea supremacy and the maintenance of the Empire's extensive lines of sea communication.

The first principle in the ideal policy for the protection of the Empire, namely, "That without superiority at sea our Empire cannot be maintained," has been so often and so forcibly represented, and is indeed so self-evident, that it seems unnecessary to dwell on it. And surely, so far as the Dominions are concerned, it is a question for the whole Empire, for not one of them can, at the present time, stand alone. New Zealand must abide under the protection of the British flag or make up her mind to change the Union Jack, with all it means of freedom and liberty, for a protection that can never give the privileges and advantages we now possess.

The two principles in the policy of protection already considered dealt with home defence and mutual military assistance. Each Dominion can within its own shores make preparations for both of these; but both depend for success on the co-operation of the services, and the latter cannot be rendered without that superiority at sea which would permit free communication between the constituent parts of the British Empire. It has been well said, "All warfare hinges on questions of communications," and "while we safeguard our own we should assail the communications of our opponent."

It is to be remembered that free communication by sea is essential to the Empire, not alone because it provides a way for any portion of the Empire to render help to

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another in case of attack, but also because each part is vitally interested therein for other reasons, the Mother Country for the supply of food for her people and raw materials for her workers, and the Dominions for their trade and prosperity.

The task of keeping open communications and of maintaining sea superiority is a very different one to-day from what it was years ago when Great Britain's Navy was supreme and in a position to dominate every sea. The rise of naval powers in the West and in the East makes the problem difficult of solution to-day, and it can no longer be said that Britain alone can claim sea superiority everywhere.

The fleet is not now free to move wherever a foe may appear, because the growth of a great European navy compels concentration in English home waters, and world-wide sea power has to be sought by the entente cordiale and the treaty of alliance. Both of these carry with them certain responsibilities which may compel Great Britain to choose between a war, perhaps of huge magnitude, or the desertion of friends in the hour of danger. Hitherto the Mother Country has been assisted in the maintenance of the fleet by contributions from some of the Dominions, but it has been evident for some time past that this was unsatisfactory. Some did not contribute at all; others felt that as they made contributions they should have representation. Each at the present day realizes the difficulties and knows that if the Empire is to hold together, the separate parts must unite in some way or another to secure a sea control wide enough to safeguard our communications and protect our shores. With this, home defence will be secure and mutual assistance possible.

It would be wrong in considering this phase of Empire defence to ignore the aspirations towards nationality which year by year are becoming more apparent in the growing Dominions. It is natural and right that they should arise, and they should be encouraged and directed along paths

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which, whilst preserving to each Dominion pride in the coming of age, and in the increasing growth of wealth and population, will at the same time save them from disintegration.

There are some who believe that growing nationality means separation. This cannot be said of New Zealand, and it is certainly wrong to suggest it of the Commonwealth of Australia. Both parties have been in power during the consideration of the Commonwealth Defence legislation, and both have realized the necessities of adequate defence and of co-operation between Motherland and her growing dependencies, if they are to work out their ideals.

Senator Pearce, the Commonwealth Defence Minister in a Labour Government, put the matter clearly when he said:

“ It is because we believe that we can only work out those industrial, political and social ideals so long as we are undisturbed by a foreign foe and so long as peaceful conditions are maintained that we advocate this policy ” [national training].

Senator Pearce had no mistaken notions about the Commonwealth as a separate national entity securing the peaceful conditions they wanted. He speaks of “ the Empire of which we form a part,” and the Government, Labour though it be, has encouraged immigration from the Motherland because they realized the danger of unoccupied territory to the Commonwealth.

The Commonwealth and New Zealand have had up to the present time an agreement with the Mother Country whereby they contributed money, and Great Britain kept a squadron in Australasian seas. This agreement is practically at an end and will not be renewed, and at present there is no uniformity of policy.

At the Conference held in 1909 the Admiralty left it open to the Dominions to provide “ local naval forces to be placed at the disposal of the Crown in the event of war,” or

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“ a simple contribution of money or material,” or “ certain local services not directly of a naval character but which may relieve the Imperial Government from expenses which would otherwise fall on the British Exchequer.”

Australia adopted the first suggestion. The idea of the Admiralty was to create

“ an Eastern fleet of the Empire to be composed of similar units of the Royal Navy, to be known as the China and the East Indies units respectively and the Australia unit.”

New Zealand provides the armoured cruiser (new Indomitable class) for the China unit and £100,000 per annum towards payment of the personnel. New Zealand's further action in the matter of the China unit was referred to previously. Presumably the Mother Country will supply the East Indies unit, and Australia has become responsible for the Australia unit, the Mother Country offering to assist the Commonwealth by an annual contribution of £250,000 towards the maintenance of the complete fleet unit. It is gratifying to note that the Commonwealth has decided not to accept this contribution and will provide the whole cost from the Commonwealth funds. As a result of the above arrangements there will shortly be in the Pacific:

- 3 Armoured cruisers (new Indomitable class).
- 9 Unarmoured cruisers (Bristols).
- 18 Destroyers (River class).
- 9 Submarines (C class).

So begins the Eastern fleet of Empire. What its evolution may lead to, who can say? Some, at any rate, who could not view the position in the Pacific without great disquietude find comfort in the fact that a commencement has been made to secure for the Empire that control of communications and protection to commerce which is so essential for

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the progress of the young British nationalities situated in the Pacific.

Australia deserves every credit for her patriotic action. She has assumed a heavy burden and is determined to take the further steps necessary to build in the future the larger portion of the vessels comprising the unit, having in view national sentiment and the possibility of interruption of communications with the Motherland.

Those who directed New Zealand policy may possibly have been deterred by fear of the burden (though this can scarcely be so in view of New Zealand's offer to provide a Dreadnought) from following Australia's lead on a modified scale. It is scarcely conceivable that New Zealand will long continue the present arrangement, and one looks to the time when national sentiment will induce this country to build, equip and man the mosquito fleet thought necessary for its second line of defence, if that necessity can be proved, and, in addition, to provide such a portion of a fleet unit as can reasonably be expected of her.

A glance at the map of the world reveals the fact that there are two great sea areas which constitute the Empire's lines of communication. The first includes the North Sea, the Mediterranean and Atlantic Oceans; the second the Pacific and Indian Oceans. It seems reasonable to suggest that Great Britain can of herself provide for the control of the former and that the control of the latter should be the duty of the Dominions interested in those oceans, with some assistance from the Motherland. Apparently the Admiralty* has already suggested that Canada should provide a fleet unit on the Pacific, but "Canada's double seaboard rendered the provision of such a fleet unit unsuitable for the present."

It is difficult to understand why, whilst Canada remains a portion of the Empire, her Eastern seaboard requires any further protection than is afforded by the British fleet; but it is very easy to conceive a different condition of things on

*Report of Conference, 1909. A.—4 A. N.Z. p. 25.

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her Western side, and surely Canada is vitally interested in the problem of sea control in the Pacific? Similarly, India is concerned in open communications both in Indian and Pacific waters. Is it, then, too much to expect that Canada, India, Australia, New Zealand, the Mother Country, and possibly South Africa, should join hands to develop the Eastern fleet of Empire? One can picture such a fighting fleet concentrated at Hong Kong, and it would require no great stretch of imagination on the part of the people in any of the above-mentioned countries to cause them to feel a considerable sense of security, with regard both to their own shores, their commerce and also in the matter of any diplomatic questions arising in the Pacific or Indian Oceans.

The Commonwealth again is giving a lead, for there is every prospect of the adoption of Sir R. Henderson's recommendations to provide in twenty-two years a complete fleet composed of eight armoured cruisers, ten protected cruisers and other details. The time is long and the burden great, but both these might be modified if the other countries alluded to could be induced to combine. Of course, difficulties will present themselves, especially in relation to control and share of burden. Admiral Henderson suggests for Australia that population and over-sea commerce should furnish a measure of her share in the maintenance of sea power in the Pacific.

The difficult question of control must sooner or later be met if the Empire is to continue to exist. Even before the commencement of the present policy Dominions contributing to the British Navy had talked of representation.

Under the new conditions the Commonwealth fleet unit in peace time will be under Commonwealth control, but may be placed in war time at the disposal of the Admiralty, and so there will be separate fighting units located at bases some distance apart, a condition which may cause delay in concentration and seems strategically unsound.

It is impossible to argue that divided control, even in

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peace time, can be considered satisfactory, when one remembers that diplomacy, decision about entering into a war, and even the first blow struck, are all matters that must be decided before a declaration of war takes place. Efficient control means the providing and maintenance of a machine perfect enough to do the work required. This involves either a power to tax or a definite basis of contribution agreed to by the Parliaments of the various countries interested. The former is practically impossible; the latter is surely within the bounds of possibility. The question, "Who is to control?" is even more difficult of solution. The present arrangement under which Great Britain directs cannot be considered as the solution, and at the present time representation on a common council would not be accepted by the Dominions, who feel that their interests, though deeply concerned with the questions which may arise in the one great sea and the Continents bordering on it, are still more deeply concerned in the other great sea area which is more near to them and in which they realize the Empire's weakness.

There is no use avoiding the difficult question and leaving it to evolution, undirected and without ideals, to work out the problem. If Empire control of the fleet is not attainable, can it be said that the Dominions interested may not have as an ideal the formation of a council upon which each shall be represented, and to whom shall be relegated the control of the Eastern fleet of Empire, and who shall be provided with funds upon a definite basis agreed to by the Parliament of each contributing authority?

One step forward might have been made in this direction in 1909, when Australia invited New Zealand to join hands in the establishment of an Australasian fleet unit, but for some reason New Zealand declined.

New Zealand. October 1911.

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I. HOME RULE

IF we may judge from inquiries received during the past three months Home Rule would appear to be the question in British politics which excites most interest at present in the Dominions. Unfortunately it is impossible to satisfy the curiosity of our correspondents in this number of the ROUND TABLE, for the very good reason that no scheme of Home Rule is yet before the public. The Government has said nothing. The speeches of ministers abound in generalities; but, in fact, all we know at present is that next March the Prime Minister intends to bring in a bill. As to the nature of the proposed bill we are entirely in the dark. The statement of the Irish Secretary (Mr Birrell), in one of his recent speeches, that the Parliament on College Green is to consist of two Houses, that it is to have legislative powers, and that there is to be an executive responsible to the legislature, does not carry us very much further. It is true that the newspapers are constantly referring to the "Home Rule controversy," which they allege to have been "raging" ever since September last. But though it is perhaps easy to "rage" without anything definite to rage against, it is peculiarly difficult to "controvert" under these limitations.

It may, however, be worth while making the attempt to explain in a few words how the matter stands on the eve of the battle. Briefly, the Parliamentary situation is as follows:—During the present autumn session the Insurance bill is occupying practically the whole of the time and attention of the House of Commons. In March the government has undertaken to produce its Home Rule bill. It has also promised to introduce two other measures: the first, a bill for the Disestablishment and Disendowment of the Church in Wales; the second, a Reform bill of a far-reaching character, under which man-

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hood suffrage is to be secured, and possibly womanhood suffrage as well.

The Insurance bill is a measure of unexampled intricacy and detail, but its underlying principle has been agreed to by all parties in the House. Even the Irish Nationalists have accepted the principle, though apparently with a good deal more misgiving than cordiality. It is also agreed on all sides that this Insurance bill is a miracle of ingenuity, of industry, and of legislative courage. But against this there is a general and rather dangerous impression that it is being huddled through with indecent haste. In many instances the drafting is at fault, and for this the blame is less upon the draftsman than upon the enormous scope and complexity of the measure. On the one hand, there are omissions; on the other, there are consequences which were never intended, foreseen or desired. In every quarter of the House it is realized that the clauses are not being adequately discussed and amended in committee. Liberals admit this as freely as Unionists, and say frankly that they would not submit to sit silent under the closure and allow scamped work to pass on to the statute book, except for the sake of the precedent which is hereby being established for getting through with the heavy work of next session. It is not by any means a creditable state of affairs, but whether the discredit attaches to the congested state of our parliamentary machine, as the Liberals maintain, or to the slipshod impetuosity of the Chancellor of the Exchequer, as the Unionists contend, it is not for us to determine. But it is obvious that with simmering rebellion upon their own side, and misgiving among the Irishmen, and discontent among the Labour representatives, and a first-class cause of grievance among the regular opposition, the government are faced with a situation in which it would be exceedingly convenient if a vigorous controversy of any kind would be obliging enough to go on "raging" out of doors. Much, however, as ministers may desire such a distraction, the practice of the constitution prevents them from feeding

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the flames by any premature disclosure of their intentions with regard to future legislation.

The programme which has been laid down for next session is without precedent in our Parliamentary history. Never, at any rate under modern conditions, has a Government undertaken to carry through three contentious measures of first-class importance in the same session. Even with an autumn sitting—a session of ten months out of the twelve—Home Rule, Welsh Disestablishment, and a Reform bill, seem to be an order much too large for human accomplishment, save by sheer exhaustion. Old members on both sides shake their heads and quote Mr Bright's famous, but homely, parable: "You can't drive four omnibuses abreast through Temple Bar." What are the reasons for so strange a decision on the part of Mr Asquith, who, by the admission both of his friends and opponents, has shown hitherto a very remarkable talent for businesslike accomplishment? Is he riding for a fall? This conjecture may be dismissed; Mr Asquith is not riding for a fall, but he may easily take one; for he is in a position of exceptional difficulty. To pursue the metaphor, he is like a circus rider, bestriding not a single animal, but tiptoeing upon the backs of several. The Liberal party is slightly outnumbered by the Unionists. If the Labour party votes *against* the government, or if the Irish party abstains from voting *with* the government, at a critical division the government will be very near defeat. If the Irish party votes with the opposition at any time, the government is certain of defeat. The Welsh, Scots and English Liberals have their various legislative ambitions, and if any one of these sections is thwarted, the government may find itself in a dangerous predicament.

In view of this balance of parties Mr Asquith must in any case have found himself in a position of great difficulty. But the passage of the Parliament bill has enormously increased this difficulty. By the Parliament bill it is enacted that any measure which has been passed by the House of

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Commons in three successive sessions shall become law, whether the House of Lords agrees to it or not. Consequently there is now a great scramble for the first place. The dissolution of Parliament has to take place within five years from its commencement, and judging from past experience, it seems hardly likely that the average Parliament will run on to the end of its legal term. Next session will be the second of the present Parliament. Consequently if we assume that the House of Lords will exercise its curtailed powers without remorse, and will throw out all measures of which it disapproves, only such contested measures as are passed through the Commons next session will have a really good chance of becoming law before the next general election. For it is hardly likely that the House of Lords will accept either the Home Rule bill or the Welsh Disestablishment bill on its merits, and it is practically certain that it will agree to no measure for extending the franchise which is not accompanied by a redistribution of seats and a remedy of the absurd anomalies which exist in the present state of parliamentary representation.

Consequently if Mr Asquith is to keep his coalition together to pass the Home Rule bill, he must offer to each important section a reasonable prospect of obtaining in return some boon on which its heart is set. The Welsh have made it clear that even in order to pass Home Rule for Ireland they will not be balked of the hope of pulling down the Church Establishment during the present parliament. The Labour party are known to found great hopes—whether wisely or not there is some difference of opinion—upon manhood suffrage. The Scots will probably be content with some land legislation, and possibly may be soothed by some preambulatory promise of Home Rule all round when the Irish bill is laid on the table. But in view of the hope, newborn out of the Parliament bill, of carrying radical measures through automatically by effluxion of time, without amendment or mutilation by

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the Lords, no radical legislator is willing that his own particular fancy should be in a worse position than Home Rule for Ireland. To the outside observer it looks as if there were some danger that so great a crowd of reforms might suffocate one another in their efforts to escape from the sack of the lawgiver.

Perhaps the present situation may be summed up best by saying that while the government is pledged to bring in next session a Home Rule bill (the form of it at present unknown) which will satisfy the Irish Nationalists, and to carry it through the House of Commons, the protestant portion of Ulster, on the other hand, seems to be pledged just as definitely to oppose Home Rule in any form whatsoever—to oppose its passing by all constitutional means; and should it be passed, to prevent its coming into operation, if necessary, by *unconstitutional* means.

The Liberal party as a whole is pledged to what is called “the principle” of Home Rule; but this principle is variously interpreted among the different sections. There are serious misgivings among Liberals as to the financial arrangements that may be proposed; for in the eyes of many English and Scots Nonconformists the Irish are sturdy beggars, and any increase of British taxation for the purpose of dole-giving would be highly unpopular. There are also misgivings lest the Irish Parliament should have control of the Customs and should proceed to introduce protection; this would be regarded very unfavourably by English and Scots Radicals as “the abandonment of the citadel of Free Trade.” There are also misgivings, especially among the Nonconformists, as to the position of the Protestant religion; the Catholic Church, if in fact it desires Home Rule, has been a poor electioneer with its *Ne temere* decree and the consequent troubles of Mrs Macan. And there are also misgivings among those Liberals who attach the highest importance to a real supremacy of the Imperial Parliament; for these are inclined to argue that except under a Federal system it is impossible to secure this supremacy.

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The Unionist party, on the other hand, is pledged generally against "the principle" of Home Rule, just as the Liberals are pledged generally for it. They are exceedingly hopeful of smashing any measure which Mr Asquith may devise, possibly on all, but certainly on one or other of those Liberal misgivings which have been set out above. But this is not to say that they are without misgivings of their own as to the best means of carrying on the campaign. There are obviously doubts, not only as to the morality, but also as to the policy, of stirring up religious hatred for the sake of party advantage. There are also doubts as to recent proceedings of the Ulster Unionists and their threats of contingent treason; for the whole party to be identified with these on-goings, and held responsible for them, appears to be regarded by many Unionists as a calamity of the worst kind. And possibly to some extent there may be misgivings among the new generation of Unionist members as to the wisdom of offering a blank opposition to every possible form of Home Rule, even to a plan of a Federal character.

It is an error, however, to suppose that any of the Unionist leaders have ever given the slightest countenance to the idea of a solution on Federal lines. And it is more than likely that most of their followers both in the Lords and Commons would heartily endorse the disparaging opinion expressed by Mr Balfour in the last speech made by him before his retirement—that all forms of the Home Rule idea, including that of Federal Home Rule, are merely "the dreams of political idiots." So far as Federation has been publicly advocated from the Unionist side, it has been by journalists and other persons who have no responsibility whatsoever for the direction of the party policy.

The word "Federation," and references to Home Rule all round figure largely in Mr Redmond's speeches. In a less degree they figure also in Liberal orations. On the Unionist side the idea is seldom mentioned except in a tone of contempt. And yet the thing which it is really more important to

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know than any other is precisely this: Whether under the government proposals Ireland is to be put in the position of Quebec and New South Wales, or in the position of Newfoundland. That is a vital question. If Ireland is to be put into the same position with regard to the United Kingdom which Newfoundland bears to Canada, it is safe to prophesy that the Liberal party will be split both in the House of Commons and in the country. If on the other hand Ireland is to be to the supreme Parliament of the United Kingdom what Quebec and New South Wales are to their respective Federal Parliaments, it will be interesting to see whether or not the Unionist party will suffer a similar cataclysm. And there is the further question: If Ireland is to be as Quebec and New South Wales, how in the world can this be brought about unless and until England, Scotland and Wales are also endowed with their separate state or national parliaments?

The campaign opened with the Ulster demonstration in the early autumn. The speeches delivered on this occasion dealt largely with the supposed intention of the Vatican to take advantage of Home Rule to oppress and persecute the protestants in Ireland. Following upon this came the announcement that protestant Ulster would refuse obedience to any parliament in Dublin, and would proceed forthwith to prepare a scheme for a provisional government of its own to be set up in the event of the Home Rule bill passing into law. It was a point which excited some comment that the leading figure in these demonstrations was not an Ulsterman, but a distinguished Dublin barrister, Sir Edward Carson—Solicitor-General from 1900 to 1905—who for some time past has been settled in London and practises at the English bar. In the previous Home Rule agitations Ulster produced its own leaders.

The general opinion in England and Scotland with regard to this demonstration was, on the whole, unfavourable. The religious flavour was disliked, and the contingent treason was disapproved, even by many persons who had

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much sympathy with Ulster protestantism. The speeches were perhaps pitched somewhat too high, and produced incredulity by their extravagance. It was felt to be premature and rather ridiculous to talk about provisional governments, rebellion, and other forms of treason so far ahead. For not only were the actual intentions of the government entirely unknown, but the opportunity for such heroic measures could not by any chance occur for nearly three years to come, unless, which is almost incredible, the House of Lords were meanwhile to be converted to the government's proposals.

But although the language of the speakers was judged to be absurd, the temper of their audience, to those who had the opportunity of studying it, was very much the reverse. An immense concourse of people, mainly of the working class, endorsed the declaration in favour of resistance. There was no disorder and much less excitement and enthusiasm than had been anticipated. Disinterested and even hostile witnesses have borne testimony that the people seemed dogged and determined, and that there was a perfect unanimity. Neither Mr Asquith nor Mr Birrell is likely to underrate the difficulty of forcing a large and compact population to obey and carry out a law which they have absolutely determined to resist and to break. It may be said that when such things are seriously threatened there is the beginning of the end of popular government. The basis of popular government is the consent of minorities when they have fought their fight by every constitutional means in their power, and have been beaten, to accept the decision of the majority, unless and until, having become themselves a majority, they are able to reverse it. This is the theory of democracy. And it is equally the high Tory doctrine. But no one who has watched developments in the United Kingdom during recent years can doubt that the principle has been dangerously shaken. Passive resistance—the negation of popular government—was invented by the English

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Nonconformists a few years back because they disapproved of Mr Balfour's Education Act, and were determined to destroy it. It is therefore somewhat of an irony that Mr Asquith and Mr Birrell, who are probably two of the most prominent representatives of English Nonconformity, should now find themselves faced with passive resistance on a larger scale and in a grimmer shape. It is somewhat of an irony; but it is also an immeasurable disaster.

II. THE STRIKES

WITH regard to the strikes which have occurred during the past six months, public opinion is sorely puzzled. During the summer there was a strike in the shipping trade. Before it happened the shipowners made light of it. We were told that the great majority of the men did not belong to the unions, and were perfectly satisfied with their conditions of employment. On these grounds, which, if true, were excellent, the owners let it be understood that they intended to stand firmly together, and that they would not yield an inch. But not more than a few days had gone by before the owners ceased to stand either "firmly" or "together." They had refused an inch, and now in a panic they gave away an ell. The men got practically all they had ever asked. The first thing which struck public opinion about this unexpected collapse was, to use a vulgar expression, that the shipowners had "no guts"; then, gradually it leaked out that they had no case either—that the demands of the men were not unreasonable, that they were in fact underpaid, and that many, if not most of the companies, could well afford to grant the terms which were asked, and ought to have granted them long before.

Then in August came the railway strike. The facts of this episode are much less clear. For one thing, it was not fought out to a finish. The matters at issue were not settled at all—but were remitted to a Commission which

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commanded respect. The public understood—and neither on behalf of the men or of the companies was it ever denied—that both parties to the dispute agreed to be bound by the findings of the Commission, in the sense that they undertook to make a fair trial for a reasonable time of any plan proposed. This belief was fully confirmed by the original announcement which had been issued by the Board of Trade. But when the Commission issued its recommendations a few weeks ago there was at once a vehement denial on the part of the men that they were in any sense bound to accept the verdict. A movement against giving the plan a chance has sprung up in various quarters, and is apparently widely supported. The Labour leaders have taken no steps to disavow the repudiation which has been put forward by a large section of their followers. As we write, it seems to be quite as likely as not that we shall be faced with another railway strike before Christmas.

Now it is exceedingly difficult to deal justice at such close quarters, and we make no pretence to set up as judges in this case. The object of this article is merely to set out what the writer of it understands to be the opinion of ordinary quiet people, without any special knowledge beyond what they can gather from the newspapers. In the view of this class of persons the men, if they reject the findings of the Commission and declare a strike, will be as much in the wrong and as certain of a beating as the shipowners were in the former instance. For the public argues that if the men didn't undertake to make a fair trial of the terms of the Commission, it was a pure farce holding a Commission at all. Public opinion is at once influenced unfavourably by any suspicion of dishonesty or sharp practice. The companies have kept to their word, while it looks as if the men might not keep theirs.

There is a common report, which is generally believed, that the government, at the crisis of the railway strike in the month of August, put pressure upon the railway directors to accept a commission, on the ground that we

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might be at war with Germany within forty-eight hours. The companies were entirely opposed to submitting the matters at issue to any commission, being confident of their power to maintain an adequate, though restricted, service of trains, and to defeat the strikers, providing only they were accorded that proper protection for those of their employees who wished to continue at work, as is the right of all citizens who live in a civilized community. Such protection could not, however, be given without the assistance of a very large portion of the army. France and Germany were then engaged in delicate negotiations. Everything seemed to be going well until one day, when the strike was in full swing, the news came that there was a hitch, that the demands of the Northern power had stiffened, and that it was necessary to choose between having the better part of our striking force engaged in policing our own railways or available for extending the left flank of the French army in the Pas-de-Calais. On the assumption that this story is true, as there seems to be little doubt it is, the railway companies have won considerable credit for having acted in a patriotic spirit.

But there are also other events which have inclined public opinion against the men. The railway strike in Ireland, which occurred late in September and ended in October, was a *reductio ad absurdum*. A general strike of all the railwaymen in Ireland was decreed and to a large extent adopted because one of the railway companies, acting according to its legal obligations, insisted upon carrying out its contract for the delivery of materials, the property of a timber firm in Dublin which had a dispute with its employees. The occasion chosen was generally felt to be a very frivolous pretext for so violent and injurious a measure of reprisal as the general stoppage of all the railways of Ireland. Great suffering and destruction of property was the result. The dairy industry of Ireland suffered heavily. Meanwhile the Dublin bakers also went out on strike, and the pinch was felt most severely by the poorest part of the

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community. Even the hospitals were unable to obtain the supplies of bread which were necessary for feeding their patients. In the end, the Irish strikers were beaten in every instance, and on every point at issue. The result was an even heavier defeat for labour than the shipping strikes had been for the shipowners.

But it was more than a mere defeat for the strikers themselves; it was a severer blow still to the prestige of the unions. For in the first instance the leaders of the railway men's unions had condemned the Irish strike, and endeavoured to prevent it. When, however, they found that the men were determined upon it and that their own efforts at dissuasion were all in vain, they then very weakly and ridiculously, as most people thought, hastened to approve and bless it. When it ended in failure they were accordingly involved in the discredit. It must be borne in mind that the unions through their leaders had been pleading for "recognition," and the right to treat with the companies on behalf of the great body of labour. They had urged this strongly upon various grounds, but among others in the public interest; for if the unions were recognized the union leaders would then not only speak on behalf of their men, but would also influence them, and would be able to bind them by their decisions. In fact they had held out that they were plenipotentiaries, empowered to treat. But the public now saw clearly that this claim was entirely illusory. The advice of the union leaders was disregarded, and nobody, apparently, was bound by their signature. These so-called leaders were permitted to lead only for so long as they were content to follow.

Then to relieve the gloom of these proceedings schoolboys began to strike for shorter hours, and the abolition of penalties upon idleness. They marched in procession and unconsciously did considerable service in the restoration of national sanity. For when schoolboys strike it is possible to strike back with considerable effect upon a part of the anatomy which is highly sensitive to pain but where no

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permanent injury can be done by the rod which spareth not.

Strikes, like other things, may be overdone, and the general verdict seems to be that they have already been a good deal overdone. For although they have been engaged in sometimes wisely and justifiably, they have also been engaged in frivolously and even absurdly. If they have succeeded conspicuously in certain cases it cannot be denied that they have also failed in others. If a great railway strike be put in force towards Christmas it is probable that the mass of public opinion will be strongly against the strikers. In that case, judging by experience, the strike is likely to fail, though it can hardly be doubted that it will cause acute suffering and the death of many innocent creatures.

It cannot be denied, however, that the dread of strikes—railway strikes, coal strikes, and others perhaps as well—hangs over us like a cloud. Nor can it be denied that though they may be undertaken very foolishly, and with very little hope of success—though they may be “directed” (if such a term is appropriate) by men whose love of approbation somewhat outweighs their knowledge of affairs—they are not simply to be brushed aside as utterly preposterous on this account. They are grounded in something real—in a very grim reality indeed. Agitation will usually fail where there is no actual suffering at the bottom of it. Here, unfortunately, there is very real suffering. It is difficult for people with an income (say) of five or ten pounds a week to understand the difficulties and privations which people with from eighteen to twenty-five shillings a week have to contend against owing to the rise in the price of food. The extent of this rise is a matter at present under investigation. It is variously computed upon an income of twenty-five shillings a week at from eighteenpence to half a crown, as compared with four or five years ago. That there has been a serious rise is not denied. This is the kernel of the matter—that the value of money wages has fallen and that poor people are feeling the pinch.

III. MR BALFOUR'S RETIREMENT

MR BALFOUR'S resignation of the leadership of the Unionist party is one of those events which cause a great sensation, but no surprise. He has had a long and very arduous term of public service. From 1880 he has been one of the most prominent figures in politics. A quarter of a century has passed away since he attained cabinet rank. He has led the Unionist party in the Commons for something like twenty years, and he has been the recognized head of the whole party since he succeeded Lord Salisbury as Prime Minister in 1902. Never a very robust man, his health has lately been the cause of considerable anxiety to his friends, and of some inconvenience to his party. Attacks of influenza during each winter and spring have entailed long and frequent absences from the political arena. And although during the past twelvemonth he has seemed to be more immune, it is certain that the tremendous strain of Parliamentary sessions lasting practically from year's end to year's end, of controversies exceptionally grave and no less embittered, of the two general elections in 1910, and of certain differences of opinion within his own party must have added an almost intolerable burden.

But if he has laid down his leadership somewhat weary in body, there is abundant evidence of late, both in his writings and speeches, that his mind has lost nothing of its grasp or eagerness. Mr Balfour chose to make his career in politics, and his career has come to an end. With most people such an event is the ringing down of the curtain; the play is over. What remains is but a shadow or make-believe of business. The mind concerns itself no longer with plans but chiefly with memory. For a few fortunate spirits however it is different. To them, the ending of a career is the beginning of freedom. Mr Balfour is in his sixty-fourth year; but few indeed of our statesmen have ever taken with them into their retirement richer resources, or a keener and fresher interest in that stream of thought which moves the world on its way, and upon which

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even the great deeds of statesmen are but corks dancing on the waters.

This is not the time or the place to consider whether or not Mr Balfour was a great party leader. What is indisputable is that he was a great parliamentarian and a great gentleman. His manner of leaving his party strikes every one, and not least his opponents, as showing a singular judgement and an almost unexampled consideration. If the severance had to be, no season could have been better chosen than the present, nor any words more healing and magnanimous than those in which he announced his decision. The theory that Mr Balfour has been worried into retirement by criticism or intrigue does not stand a careful investigation. Loyal friends and peevish enemies have held this view, but the facts are all against it. There was undoubtedly discontent with his leadership; but had this discontent been much stronger than it was Mr Balfour could have snapped his fingers at it for years to come had he chosen to do so. He had only to call together a meeting of his party in the House of Commons, or to attend at any representative gathering of Conservative associations, and ask for a vote of confidence and it would have been carried with enthusiasm—probably not a single voice would have been raised against him. No one on either side will dispute this. But if we look below the surface we must admit that the reason of the vote of confidence would not have been approval of Mr Balfour's policy, or an opinion that the Unionist party had been successfully led since 1903; but mainly two things—an immense respect for his ability, and a personal affection which has never been exceeded in the case of any party leader—not even in the case of Charles James Fox. What should be realized is, that of all the thousands of people who at one time or another have come into personal touch—however slight, however temporary—with Mr Balfour during his long public career, hardly a man of them but has fallen under the spell of his charm, his swift perception and his invariable courtesy. And having come under the spell no man has ever escaped from it.

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Dissatisfaction with the way in which the Unionist party has been led was not confined to those who broke away temporarily in the summer over the constitutional issue—the *Ditchers* or *Die-hards* as they were called. Nor was it confined to extreme Tariff Reformers. It was nearly, though not quite, as prevalent among the *Hedgers*, and the moderate section of the party. The chief cause was a feeling that the leader did not see his course clearly before him, that he did not urge his policy with conviction, and that he did not bestow those infinite pains upon the drudgery of party management which are the conditions of successful leadership. These may or may not be true charges, but there can be no doubt as to the prevalence of a very general feeling of uneasiness. It is difficult to win battles under such conditions, and on the Liberal side this fact has been fully realized and taken advantage of for several years past.

Whether or not posterity will rate Mr Balfour as a great party leader is a question upon which opinions differ, but there can be no doubt even now that his courage and vigour upon high occasions will rank him with the greatest of our statesmen. We may agree or not with the policy which he pursued as Irish Secretary in the 'eighties, but we must admire the steadfastness and the thoroughness with which he carried it out, in spite of all its inherent difficulties. What is not so fully realized, perhaps, is the part he played in the winter of 1899 and 1900, at the crisis of the South African war. During that anxious period there was none who showed a calmer courage or a finer resourcefulness. Public opinion at the time was certainly not fully alive to this fact, and was even inclined to judge him with harsh injustice; but as the true facts have gradually become known, the unwavering confidence of his colleagues is seen to have been abundantly justified. His error—if such it can be called—lay in the faithful and too exclusive performance of his duties, so that he became oblivious of popularity.

There can be no two opinions that the question who was to succeed Mr Balfour has been settled with remarkable de-

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corum and dignity, and in a manner highly creditable both to the commonsense and generosity of the Unionist party.

Mr Austen Chamberlain according to the parliamentary tradition had the greatest claims. He had held the office of Chancellor of the Exchequer, which by tradition entitles the holder to the reversion of the leadership. He has, in fact, acted as leader during recent years on most occasions when Mr Balfour was absent from the House. During the Budget discussions of 1909 and ever since he has taken by far the most prominent part, after Mr Balfour, in debate, and by general agreement his task has been well done. He is the chief member of the Liberal Unionist section of the Opposition, a Nonconformist, and the inheritor of a great name. He is neither an epigrammatic nor an eloquent speaker, but clear, forcible and of an unmistakable sincerity. As leader it is probable that he would have done even better than in a subordinate capacity, for he has a firm grasp of policy, combined with a great thoroughness in the details of management. His courage and judgement are of a high order. But the heritage of a great name is a drawback as well as an advantage, and in a party of which only a small proportion are Liberal Unionists it is no benefit to belong to that persuasion.

Mr Walter Long is a Conservative of the Conservatives, a country gentleman of the country gentlemen. His good nature, his frankness, and his courtesy have made him friends in all quarters of the House. He is the trusted representative of his own back benches—men who do their duty at Westminster and in their respective counties quietly and efficiently without taking much part in debate. If the votes of his opponents could have helped him he would have been chosen leader to a certainty; for his popularity stands high both with the Liberals and the Irish, and this is a rather remarkable tribute seeing that he has held the office of Irish Secretary. He is a copious rather than impressive speaker, and it must be frankly admitted, no match either in intellectual

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calibre or in political instinct for the leaders of the Liberal party.

The devoted followers of Mr Austen Chamberlain and Mr Long were too nearly balanced in numbers. The respective claims of these two candidates had been too warmly canvassed in advance. To have elected either the one or the other by a bare majority would have been to risk a dangerous division. So that in the end the matter was settled in a highly characteristic fashion: upon the motion of Mr Long and Mr Chamberlain Mr Law was chosen unanimously to be leader.

Mr Law is a Scotsman, born in Canada, the son of a Presbyterian minister. He has had a successful business career in Glasgow. His parliamentary experience only extends over eleven years; he has never held cabinet office; but he has won great respect in the House of Commons and out of doors on account both of his brains and his character. He is one of the few contemporary speakers whose speeches make interesting reading. There is in them a quality of thought as well as style which distinguishes them and fixes them in the memory. He has been accused of timidity, but chiefly for the reason that in an age of very hasty invective, when allegation often counts as proof, he has refused to take extreme courses if the reasons have appeared to him to be insufficient to warrant it. He is wanting also in that suavity which has softened the superlatives of abuse which the two front benches have been in the habit lately of heaping upon one another. His words cut and sting and are remembered against him by his victims. He is not a popular choice among his opponents, but that certainly is no reason why he should not make a successful leader—indeed the presumption is rather in the contrary direction.

London. Nov. 1911.

CANADA

I. THE GENERAL ELECTION

BAFFLED and angered by the determined resistance of the Conservative Opposition to ratification of the Trade Agreement with Washington, Sir Wilfrid Laurier dissolved Parliament and appealed to the country. The result was a decisive defeat for the Liberal Administration. Probably at dissolution the general expectation was that the Government would succeed with a reduced majority. There is reason to think that down to the very day of polling there was a high degree of confidence amongst Liberals that the Government would be sustained. On the other hand, the Conservative leaders found evidences of a revolutionary change of feeling in the country, and during the last weeks of the campaign were very certain that the Government could not secure a working majority. It may be they achieved a more decisive victory than even sanguine Conservatives expected, but certainly the result of the contest caused no such surprise in Canada as it seems to have caused throughout the rest of the Empire. No doubt the Trade Agreement chiefly explains the result. But it must be remembered that the Laurier Government had held power for four Parliaments, that long tenure of office breeds weaknesses and grievances within the ruling party, and that with age enthusiasm declines and energy abates.

From the outset the Conservative attack was vigorous and well directed. The statements of Mr Taft that Canada was at "the parting of the ways," and that the design of the Agreement was to prevent the consummation of "a commercial band around the Empire" were used with deadly effect. Whether the economic, the national, or the Imperial, argument was most effective cannot be determined. What is significant is that in the older provinces reciprocity gave no strength to the Government, even in the rural constituencies. It was urged upon the farmers that while they would gain access to a market of ninety millions they would

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be forced to compete in their own home market, which absorbs eighty per cent of their products, with the thirty million farmers of the United States and with those of Argentina, Russia, Australia, New Zealand and a dozen other countries in none of which, save the United States, would they obtain any compensating advantages. It was urged upon manufacturers and workmen that if the farmers were deprived of such protection as they now enjoy they would demand free trade in manufactures, that Canadian industries could not meet the highly specialized and heavily capitalized industries of the United States in equal competition, and that the destruction of home industries would lessen the demand for labour and drive a multitude of Canadian workmen across the border. In short, the appeal, alike to farmers, workmen, and manufacturers, was strictly and logically protectionist, and from all classes in the older provinces there was a response. As polling day approached Liberal manufacturers in ever increasing number declared against the Government, and it is proved by the returns that they were supported by their workmen. Moreover, the bankers, the milling interest, the fruit growers, the railways and the steamship companies substantially united in support of the Conservative party, and thus with the farming population divided the position of the Government became desperate. The contest also developed a passionate loyalty in the British-born population, and deeply excited the patriotic feeling of the younger Canadian element. It was felt that once we entered into a fiscal compact with the United States a great volume of our trade would settle into American channels and that there would be a gradual commercial severance from Great Britain, and a diminishing interchange of trade between the Canadian provinces, with ultimate danger to Canadian nationality and to the Imperial connexion. This may have been to look far into the future. Possibly there was deliberate exploitation of "loyalty" for partisan purposes. It may be that there were ungenerous references to the United States and ascription to American

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statesmen of designs which they have not entertained. But generally the responsible leaders of the Conservative party and its chief organs spoke of the United States with courtesy and dignity and of the American people with consideration and good will. Besides, a general election is a very human performance. There is bound to be exuberant rhetoric, inflated invective and hectic appeals to sentiment and prejudice. There was at least as much restraint and moderation upon the one side as upon the other, and as much depth of conviction amongst Conservatives as amongst Liberals. The real meaning of the Conservative victory cannot be misinterpreted. It was a declaration in favour of a moderate protectionist tariff, against any entangling fiscal alliance with the United States, for continuous unity and co-operation with the Empire. And commercial interest, national feeling, and Imperial sentiment, were all factors in the result. It is significant that *The Halifax Chronicle*, which probably speaks the mind of Mr Fielding, has declared that the Liberal party never will revive the project of Reciprocity with the United States; and although *The Toronto Globe*, the most widely circulated and influential of Liberal journals, continues to denounce Protectionism, it is very doubtful if the Liberal party will commit itself to low tariff or persevere in the advocacy of closer trade relations with the neighbouring country.

In Ontario the defeat of the Laurier Administration was overwhelming. Out of eighty-six constituencies only thirteen returned Liberal candidates. Many of the Conservative majorities ran into thousands. In Toronto the five Conservative candidates had an aggregate majority of nearly 19,000. The two divisions of Hamilton gave a Conservative majority of 4,000. Even in Ottawa, where for fifteen years the Civil Service has been recruited from the ranks of the Liberal party, Conservative candidates were elected. In every industrial centre the vote against the Government was decisive and in lesser degree the villages and townships polled against its candidates. In the Eastern provinces,

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where it was believed continental reciprocity would appeal strongly to the farmers and fishermen, the Conservative party materially improved its position. Nova Scotia and Prince Edward Island broke evenly between the two parties, while New Brunswick elected four Conservative and nine Liberal candidates. At dissolution the Conservative party held nine out of the thirty-five Eastern constituencies; now the East will have fifteen Conservative and twenty Liberal members in the Commons. In the West at dissolution eighteen seats were held by the Liberal and seventeen by the Conservative party. Assuming that the Yukon, where the election was deferred, returns a Conservative, each party will hold exactly the same number of seats in the new Parliament. The Conservative party lost two seats in Manitoba, two in Alberta, and one in Saskatchewan. Alike in Alberta and in Saskatchewan only a single Conservative candidate was returned, while the two provinces gave a popular Liberal majority of between 25,000 and 30,000. It is estimated that 90 per cent of the American vote was cast in favour of Reciprocity, with a decisive majority of the rural vote of all nationalities. On the other hand, Winnipeg gave a majority of 4,000 and Calgary of 2,000 for the Conservative candidates, and the Western cities generally returned majorities against the Government. According to the new census, Alberta and Saskatchewan should have twenty-seven instead of seventeen members in the House of Commons, and thus the majorities seem to be more overwhelming because of the enormous extent of the constituencies. The electoral division of Moose Jaw, for example, covers 25,000 square miles, has a population of 100,000, and has 373 polling places. Investigation shows that for each poll the Conservative candidate ran only six votes behind his Liberal opponent, but this average for 373 polling places gives an impressive total. It has to be remembered also that in the more remote settlements there is a close relation—not necessarily an improper relation—between the settlers and the officials of the Government,

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while effective organization over such a vast territory in behalf of an Opposition candidate is impossible. But, giving full weight to all such considerations, the fact stands that Alberta and Saskatchewan declared as strongly for Reciprocity as Ontario and British Columbia declared against it. In the Pacific province not a single Liberal candidate was returned, while the popular majority for the Conservative party will reach 10,000. Quebec gave thirty-eight seats to Sir Wilfrid Laurier and twenty-seven to the Conservatives and Nationalists. Thus the net result of the contest was to overthrow a Liberal Government which faced the country with forty-three of a Parliamentary majority and to bring in a Conservative Government with forty-seven of a majority.

II. THE CONTEST IN QUEBEC

IN Quebec there was a distinct cleavage between the Nationalist faction and the old Conservative element. Both were actively hostile to Sir Wilfrid Laurier, but while the Nationalists at the outset concentrated their attack upon the navy, the Conservatives chiefly concerned themselves with reciprocity. There can be no doubt that the vivid and eager oratory of Mr Bourassa was immensely effective with the French people. He gave an impression of violence which was not always supported by a cold analysis of his speeches. The impression created, however, was that Sir Wilfrid Laurier was the agent of a servile Imperialism, that the naval programme imperilled the autonomy of Canada, and that in the terms of the naval contract there was an obligation to assist in the wars of the Empire in contempt of the authority of the Canadian Parliament and the will of the Canadian people. What Mr Bourassa said with all the force and fervour of a rushing and vehement eloquence Mr Monk said with a measured deliberation and a passionless logic that was only less effective than the appeal of the Nationalist Leader. Behind the leaders were the less responsible spokesmen of the Nationalist group, and

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the Nationalist press, prolific in taunt and gibe, merciless in the pursuit of Sir Wilfrid Laurier, and ranging with joyous avidity over the whole record of his administration. Gradually, too, as the temper of the country was revealed the Nationalists joined in the common assault upon the Trade Agreement with Washington, and outside of the naval programme, co-operated actively and heartily with the Conservative party. It is not easy to get at the heart of the Nationalist attitude towards the navy, nor even to determine the exact relation of this group to the Empire. In the course of a speech at Sudbury Mr Bourassa said:

“I desire to give you the basic principles, the axioms, on which rests the Nationalist movement in the province of Quebec. There are three of them. Firstly, we hold that Canada should enjoy the fullest measure of autonomy compatible with British connexion. Secondly, we hold that the various provinces of Canada should enjoy the fullest measure of autonomy compatible with the unity of the entire Dominion. Thirdly, and finally, we hold that every city, every county, every town and village, every township in Canada should enjoy the fullest measure of autonomy compatible with the unity of the province. It will be seen, therefore, that the foundation on which the Nationalist movement is based is the principle—the good old British principle—of local autonomy, the principle on which alone the great British Empire, scattered over the four quarters of the earth, can stand.”

He explained that the Nationalists had opposed the despatch of Canadian contingents to South Africa, and that their conviction that the war was unjust was shared by some of the most eminent public men of Great Britain.

“I say” [he added] “that no Government, whether Tory or Liberal, whether headed by an Englishman or a Frenchman, had the right to come to us and plunge us into a war beyond Canada’s border altogether, until

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the people of Canada have the same voice in the declaration of such wars as have the people of Great Britain. And in saying this I appeal to the very foundation-stone of British citizenship."

He declared that neither the Laurier nor the Borden naval policy was acceptable to the Nationalist party. He argued that before Canadian war vessels were permitted to engage in an Imperial quarrel the Canadian people should be permitted to express their approval or disapproval. He insisted that the British Empire could exist only under the express condition that full freedom of will and full freedom of speech was acknowledged for all time to all men, whether they be French or English. He contended that the maintenance of British connexion was the first principle of Nationalism. All this perhaps is more eloquent than illuminating, but at least it shows that the root of Nationalist teaching is a jealous regard for Canadian autonomy, and suggests that if there is to be participation by Canada in the wars of the Empire there must be a corresponding participation in the councils of the Empire. In the meantime Nationalists insist that we should provide only for coast defence and that no Government should have power to assist the Empire in war on sea or land, without the prior and direct sanction of the Canadian Parliament.

Over and over again during the contest Sir Wilfrid Laurier denounced the co-operation between Nationalists and Conservatives as "an unholy alliance," and insisted that they had nothing in common but their hatred of himself.

"I am" [he said] "a British subject, proud of our connexion with our motherland, and loyal to the flag which shelters us. I have a double duty to perform, a duty to Great Britain and a duty to Canada. There is not a man living who can say that I have failed to do my double duty."

He said at Victoriaville on September 11 :

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“We are a nation of eight millions and must undertake the responsibility of a nation. I take all responsibility for the naval programme. There is no compulsory conscription in connexion with the navy. In the militia there had been compulsory service, but that has been repealed. I would oppose conscription for the navy, but conscription will never come. Canada has many miles of sea coast, as well as smiling valleys and peaceful farms. It is only fair that we should do our part to defend those shores. The cost is not great, and at any rate it is only what we should do.”

There were few references to the navy in Mr Borden's speeches. When he did touch the subject it was to criticize the policy of the Government and not to elaborate a constructive programme. In his formal address to the electors he said:

“Since the last general election the Government has entered upon a new line of policy in regard to naval affairs, which is of far-reaching importance. The policy adopted was not debated before the people during that election, and it bears all the earmarks of a hasty and ill-considered scheme. In my judgement, our duty to the Empire cannot be properly or effectively fulfilled by such a measure. I hold that the plan of the Government contemplates the creation of a naval force that will be absolutely useless in time of war, and therefore of no practical benefit to Canada or to the Empire. It will cost immense sums of money to build, equip and maintain. It will probably result in time of war in the useless sacrifice of many valuable lives, and it will not add an iota to the fighting strength of the Empire. The more it is considered, the more does it become evident that the whole naval plan of the Government is an unfortunate blunder.”

Thus the question stands, the most difficult problem which confronts the new Administration. The outgoing Government did not let the contracts for the construction of war vessels. It seems impossible that the incoming

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Government can persevere with the policy of its predecessors. Inevitably there will be hesitation and delay. It is assumed that there will be consultation with the Imperial authorities, a modification or an extension of the Laurier programme, and an appeal to the people to sanction the policy devised. It is certain the Government will be reluctant to determine the issue by a plébiscite, which, perhaps, would show huge sectional majorities for or against the proposal and engender an undesirable conflict over an Imperial issue. It is inconceivable, however, that there will be deliberate evasion of the issue or that Canada will continue to impose the whole burden of sea defence upon the Mother Country. There is a strong Imperial element in the Cabinet and a sentiment in the country which will not be disregarded. Possibly the solution will be found in Imperial reorganization and the association of Imperial obligations with Imperial responsibilities. There is an impression that Mr Monk himself has visions of constructive Imperialism. There is no doubt that Mr Borden is eager to assist in the unification and consolidation of the Empire. But the way has to be found, and as yet there is only a trail along which we grope darkly.

Throughout the contest Sir Wilfrid Laurier showed amazing physical vigour, and exhibited fine restraint and balance. It was not upon the naval programme that he was condemned, nor could he be overcome in his own province. Probably it was only the personal allegiance of his compatriots which saved his candidates in Montreal from defeat as decisive as overtook the Liberal candidates in Toronto. He met defeat with serenity and dignity, he holds in undiminished degree the affection of his party and the respect of the country, and under his leadership the Conservative Government will face a united and formidable Opposition in Parliament.

III. THE CONSERVATIVE CABINET

IT is believed that Mr Borden met with many embarrassments and difficulties in the construction of his Cabinet. There were eager aspirants for places in the Government who could not be recognized. There was need to conciliate sectional differences and conflicting elements. There was Mr Monk in command of the Nationalist group, and the great majority in Ontario infected with a certain distrust of the French attitude. It was recognized from the first that to ignore Mr Monk would be to excite the French province and to precipitate a racial quarrel. It was recognized further that to admit Mr Monk would involve the selection of French colleagues with whom he could cooperate. This would seem to the English provinces to be a concession to Nationalism and to suggest a naval policy consistent with the teachings of the Nationalists and repugnant to the general sentiment of the country. It was remembered, however, that the chief demand of the Nationalists was that the country should be consulted before there was definite commitment to a naval programme, that Mr Borden was pledged to a referendum or a test of opinion in a general election, and that even Mr Bourassa and Mr Monk had freely declared that they would submit unequivocally to the popular judgement. Indeed, there is reason to think that Mr Monk was by no means obdurate or unaccommodating on any question of policy, and that such an understanding was effected as removed any valid objection to his admission to the Cabinet. His colleagues from Quebec are Mr W. B. Nantel and Mr L. P. Pelletier, both perhaps touched with Nationalism, which is only to say that they express the dominant sentiment of the French province. There is this also to be said for French Nationalism that, as interpreted by Mr Bourassa, it represents high ideals of public duty and public service, while Mr Monk is distinguished for severe integrity, and in his general attitude towards public affairs has the prudence and the sagacity of a statesman.

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Outside of the French representation in the Cabinet public attention is centred chiefly upon Mr W. T. White, of Toronto, who succeeds Mr Fielding as Minister of Finance. In this appointment Mr Borden exhibited genuine courage and a sound political judgement. No one is more surprised than Mr White at the situation in which he finds himself. It was only after long and determined pressure that he was prevailed upon to take office. He is only forty-four years of age. Not so long ago he was one of the municipal assessors of Toronto. Later he was the manager of a Trust Company which under his hand became one of the most prosperous financial institutions in the country. Down to ten months ago he had a nominal identification with the Liberal party. Opposed from the first to the Trade Agreement with Washington, he signed the famous letter of protest issued by a group of Liberals in Toronto. When Parliament was dissolved, in order to avoid suspicion that he was acting from interested motives, he resigned the managership of the Trust Company and took the platform against Reciprocity. It is freely admitted that the speeches of Mr White and those of Mr Clifford Sifton were perhaps the most effective and powerful delivered during the contest. He so impressed himself upon the country that Mr Borden, immediately that he was called upon to form a Government, offered Mr White the portfolio of Finance, and at length, overcame his objections to embarking upon a public career. There is criticism that Mr White is to be the servant and mouthpiece of the Corporations; there is some envy and some railing amongst the lesser breed of Conservatives. But the view of Mr Borden was that tens of thousands of Liberals had joined with the Conservatives to reject the Trade Agreement, that these should have representation in the Cabinet, and that, apart from considerations of party advantage, Mr White would bring high character and great ability to the service of the country. There can be no doubt that Mr Borden judged wisely both in the party interest and in the public interest, and that if Mr White adheres to a

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public career he will become one of the great figures of Canada and the Empire.

Other conspicuous figures in the Cabinet are Mr Frank Cochrane, Minister of Railways, who administered the Department of Lands, Forests and Mines in Ontario with signal efficiency and who organized the Conservative party in Ontario for the election; Mr George E. Foster, a parliamentary debater and platform speaker of remarkable power and resource; Mr Robert Rogers, Minister of the Interior, for many years Minister of Public Works for Manitoba, a superb political organizer, and a thoroughly capable administrator; and Mr Martin Burrell, Minister of Agriculture, whose conciliatory temper and unfailing courtesy towards opponents contribute greatly to the dignity and elevation of Parliament. There have been Cabinets in Canada which contained more men of shining talents but perhaps none which represented a higher average of ability and efficiency. Already it is evident that there will be strength and courage in its administration of affairs and that its achievement will be an effective answer to the petty and envious criticism with which it has been assailed in quarters and for reasons which will not bear close examination.

The Government, if it fulfils the pledges of the Conservative leaders, will hand over the lands, timber, minerals and other natural resources of Alberta and Saskatchewan to the provincial governments, will construct the Hudson Bay Railway and entrust its operation to an independent commission, will purchase and operate the terminal grain elevators, will extend federal assistance to the chilled meat industry, will establish a Permanent Tariff Commission, will give substantial assistance towards the improvement of public highways, will extend the system of free rural mail delivery, will bring the outside civil service under the competitive system, will grant assistance towards agricultural education and the improvement of agriculture, and, finally, in Mr Borden's words, will inaugurate

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“ a course of policy and administration which will maintain independent and unimpaired the control of our own affairs by the Parliament of Canada; a policy which, while affording no just cause of complaint to any foreign nation, will find its highest ideal in the autonomous development of Canada as a nation within the British Empire.”

It is also understood that the British Preference will not be impaired and that there will be no general increase of Customs' duties.

IV. THE CENSUS

THE figures of the census give Canada a population of 7,081,869. There was a general assumption that the population would be between 7,500,000 and 8,000,000. The growth for the ten-year period was 1,710,554, as compared with 538,076 for the period between 1891 and 1901. Only by comparison are the returns wholly satisfactory. The population by provinces is:

	1911	1901
Alberta	372,919	73,022
British Co'umbia	362,768	178,657
Manitoba	454,691	255,211
New Brunswick	351,815	331,120
Nova Scotia	461,847	459,574
Ontario	2,519,902	2,182,947
Prince Edward Island	93,722	103,259
Quebec	2,000,697	1,648,898
Saskatchewan	453,508	91,279
North-West Territories	10,000	20,129
Yukon		27,219
	<hr/>	<hr/>
	7,081,869	5,371,315

In one of the Eastern provinces there has been an actual decrease of population. Nova Scotia, according to the figures, shows an increase of 2,273, New Brunswick of 20,775, but

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Prince Edward Island a decrease of 10,537. The decline of population in this province and the comparatively moderate increase in Ontario and Quebec are explained by the migration westward and the movement towards the cities which is the world-wide feature of modern civilization.

According to the official returns 1,705,375 immigrants came into the country during the ten-year period. This practically equals the total growth of population and allows for no natural increase. The immediate conclusion would be that there was a great and continuous exodus to the United States. But according to the records of Washington only 179,226 immigrants from British North America entered the American States during the decade. No doubt many Italians spend a few years here and return to Italy. Chinese enter at Canadian ports and cross the border. A percentage of other nationalities are birds of passage. Between 1881 and 1891, according to the immigration returns, 886,337 immigrants entered the country, but the census of 1891 gave an immigrant population of only 637,362. So between 1891 and 1901 the Immigration Department reported 1,340,284, while the census of 1901 gave a total of only 684,681. There is therefore a consistent leakage or a consistent miscalculation.

The population west of the great lakes is now 1,643,386, as compared with 598,169 ten years ago. In Ontario the total increase of population during the decade was 336,955, while the cities and towns of over 4,000 population show a total increase of 344,753. In Quebec the total increase was 351,799, with an increase in cities and towns of over 4,000 population of 272,293. Montreal, which has now a population of 466,197, shows an increase of 198,467 and Toronto with 376,240 an increase of 168,200. Hamilton has a population of 81,879, Ottawa of 86,340, London of 46,177, Quebec of 78,067, St John of 42,363, Halifax of 46,081, Winnipeg of 135,430, Calgary of 43,736, Edmonton of 24,882, Vancouver of 100,333 and Victoria of 31,620. During the ten-year period the population of Winnipeg

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increased by 93,090, of Calgary by 39,639, of Edmonton by 22,256, and of Vancouver by 73,323.

According to the British North America Act, which fixes the representation of Quebec in the House of Commons at 65, the unit is now 30,780. Thus there will be 232 members in the next Parliament, or eleven more than in that which has just been elected. The representation of Ontario will fall from 86 to 82, of Nova Scotia from 18 to 16, of New Brunswick from 13 to 11 and of Prince Edward Island from 4 to 3. The representation of Manitoba will rise from 10 to 15, of Saskatchewan from 10 to 15, of Alberta from 7 to 12, and of British Columbia from 7 to 12. The East loses 9 and the West gains 20 additional representatives in Parliament. This will give the West 55 members as compared with 65 for Quebec, 82 for Ontario and 30 for the Maritime provinces. In the East there will be a loss of rural representation owing to the growth of urban population, as in the West there will be some transfer of political power to the cities. There are protests from many communities impugning the accuracy of the census, and whether justified or not, they will have value, if the result is to shame us out of the practice of entrusting the whole work of enumeration to partisan appointees nominated by Patronage Committees in the various electoral divisions.

Canada. November 1911,

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THE REFERENDA—IN RETROSPECT

IN an editorial note in the May issue certain “interim” figures were mentioned in connexion with the Australian Referenda held in April last. The appended figures give the final counts.

	<i>Final</i>
Votes against the “bunched” issues* . . .	742,273
Votes in favour of “bunched” issues. . . .	482,892
	<hr/>
Majority against	259,381
	<hr/>
Votes against the “monopolies” issue . . .	735,949
Votes in favour of the “monopolies” issue .	488,111
	<hr/>
Majority against	247,838
	<hr/>

The voting was largely on lines of party cleavage, and it is significant that while the total Labour vote was considerably lower than at the elections twelve months before, the “No” vote, largely Liberal, was heavier by some 50,000. This was partly due to organization, for the Liberals were on this occasion reasonably well organized for the first time, while the reduced Labour vote was no doubt due to special reasons, which will be considered later in this article.

A favourable verdict was only recorded in one State, West Australia. The negative majorities in the other five States were unexpectedly large.

Now that the clamour is over it should be interesting to trace some of the reasons for the heavy adverse vote, preferably from the point of view of the man in the street. During the course of a quiet Session he is nobody, and the politician gives him little thought, but at election times he looms large in the political imagination. He is no student of

* Several issues, described in detail later, were put to the electors on one ballot paper, requiring “yes” or “no” to the whole.

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nice points in constitutional law, but in the mass he not infrequently arrives at conclusions both just and reasonable.

From this view-point it may be well to glance first at the historical and geographical aspects of the Referenda, and then at the business and political considerations.

Historical. Our typical friend was aware that the present Australian Constitution was framed in a series of conventions to which were summoned the leading public men of Australia. They came from the legislature, the bench, the bar, the counting-house. In these conventions there were no parties. All were animated by a common aim—to evolve from recorded experience the best possible Constitution for Australia. The members carefully considered every type of Constitution reasonably applicable, and they selected the Federal, largely on the United States model, as most suited to the peculiar needs of Australia. The Commonwealth authority, in their view, was to attend to matters of “national” import, e.g. external affairs, defence, a uniform tariff, and inter-State free trade, unhampered by the detailed pressure of affairs of purely State or parochial scope.

They considered the unitary system of Government, but advisedly set it aside, owing to the tremendous range of varying climatic conditions, the disproportionate sizes of the component States, and the obvious disadvantages of over-centralization.

The man in the street is not an independent student of constitutional authorities, but during the recent campaign quotations were amply paraded for his benefit. Amongst others this, from Professor Bryce: “Federation furnishes the means of uniting Commonwealths into one nation under one national Government, *without extinguishing their separate administrations and local patriotisms.*” And again: “As an expression of true Federal powers the Australian Constitution stands on a higher plane for skilful draughtsmanship and necessary powers than even the American.”

On the whole, therefore, the man in the street appears to have deemed it safer to be guided by the conventions than

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by the proposals of the Federal Labour Party. While these did not mean "unification," they tended strongly in that direction. As a remedy for certain minor defects disclosed in the machinery of the Constitution the proposals seemed to many to be grotesquely out of proportion. It was as if an architect had suggested the rebuilding of a house in order to cure a leak or two in the roof. Further, the man in the street believed that the proposals only nominally represented the views of the Federal Labour Ministry, since the gentlemen concerned were responsible to the Parliamentary caucus, who in turn were subordinate to the Labour Conference—the last a body elected by one class, and striving primarily for the interests of that class. Added to this, he had no such confidence in the ripened experience of the Labour leaders as readily to follow them in their proposed distortion of the Federal idea.

Geographical. The proposals involved the possible extinction of a wide array of State activities, and the *pro tanto* extension of Federal activity, radiating from some one centre. The man in the street asked himself how this was likely to operate.

It is a hackneyed phrase that Australia is a country of magnificent distances. A few figures will suffice to illustrate this. Take the capitals of the Continent: it is four days by fast steamer from Perth to Adelaide, 483 miles by rail from Adelaide to Melbourne, 583 miles by rail from Melbourne to Sydney, and 725 miles by rail from Sydney to Brisbane. This does not by any means exhaust the possibilities of the northward journey, for some 1,400 miles still remain to be traversed, from Brisbane to the tip of Cape York Peninsula.

Then as to areas. The State of New South Wales is about the size of France, Queensland about twice the size of N.S.W., South Australia larger still, and West Australia about three times as big.

To inhabitants of the other Dominions the climatic range of Australia may be illustrated thus:—a glance at the

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map shows that the northern end of Australia is roughly on the same southern parallel of latitude as Mozambique, Lake Nyassa, Bahia, and Lima. The corresponding parallel—11 deg. north of the equator—runs through Senegambia, Lake Chad, Khartoum, Aden, Madras, Siam and Honduras. The southernmost point of Australia extends towards the Antarctic much further than any part of Africa. In that respect it resembles Mark Twain's miscalculated tunnel, which "stuck out" beyond the mountain. America furnishes the only land on a like parallel, for Hobart (Tasmania) is roughly in the same latitude as the northern end of Patagonia.

The event seems to show that the man in the street was reluctant to believe that any material part of the local affairs of such a vast country could be adequately guided from one centre. He knew that New South Wales alone was patently suffering from over-centralization at Sydney, and that a Royal Commission was then in session on that question. Just as the affairs of the parish or shire are better administered by local councils, with their more detailed knowledge, greater sympathy, and closer administration, than by the State, so he concluded that existing State powers would probably be better administered by the State than by the Commonwealth. Anything that can fairly be described as national, by all means leave that to the Commonwealth; but purely intra-State affairs, better leave those to the States. It was because he deemed the Referenda likely to give the Commonwealth an undesirably dominant hand in *both* domains that he voted such a substantial "No."

Business Aspects. When he was asked to give to the Federal Government a vast extension of powers—an extension which threatened to upset the Federal balance—the man in the street asked himself how Australia had fared during the eleven years of Federal experience. The recent past, for him, was his only guide to the future. In the considerations which follow, this paper is more concerned to set down the impressions held by the average man at the time rather than

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exact statements susceptible of proof to the last iota. Let it be added that there was no desire to impute the blame for obvious defects to any particular political party, for all seemed tarred more or less with the same brush. In point of fact there was a distinct undercurrent of opinion that the defect lay partly in the centralized control over too wide an area, though, no doubt, ineptitude in legislation and administration had contributed its part.

Both in Customs and Federal Land Tax administration no end of absurdities and delays had indelibly impressed upon the business communities the evils of governing a spacious continent like Australia from a single point. If Federal administration is to be even-handed *some* delays are inevitable; that is inherent in the system. It would never do to have questions settled in one way in Perth, and upon some radically different principle in Sydney or Brisbane. But though this is true enough, the defects of centralization operated adversely for the Referenda when the Federal Government asked for wide extensions of centralized power.

Then the Post Office (federal) stood nakedly before the Commonwealth as a lamentable instance of deplorably bad central administration. The employees were seething with discontent and disloyalty, the officials were constantly at jangle with an angry public over recurring blunders. The general feeling was that under the previous State control the Post Office management had been distinctly better, and this consideration no doubt counted materially in the building up of the large "No" majorities.

Before passing to the purely political considerations it may be well to point out that the April, 1910, elections, which had placed the Labour party in Federal control, had been extraordinary in one respect. In the Senate the total Labour votes (673,696) were in the aggregate only some 8,000 in excess of those polled for opponents, yet they secured the whole of the eighteen seats in contest. In the House of Representatives the aggregate Labour vote was over 2,000 less than those cast for their opponents, yet by

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the peculiar incidence of the voting and superior electoral organization, the Labour party came in with a substantial majority of members.

When, a year later, the Referenda were taken, the foregoing was in the public recollection, and it was widely felt that the somewhat "fluky" Labour majority hardly justified the party in seeking to upset the Constitution. To express the situation in journalese, the elections had given them no "mandate" for anything so drastic as the Referenda proposals. They had already brought in a Federal Progressive Land Tax, with a £5,000 exemption, running up to a maximum of 6d. in the £ on unimproved values, and 7d. for absentees. It was felt that, inasmuch as their pre-election addresses had not gone beyond 4d., they had rather overstepped the mark in carrying out that part of their programme which they were entitled to argue the public had endorsed. Also it was felt that some needless harshness to the local landowner and the foreign investor had been shown in the form and structure of the Land Tax bill.

Particularly was this attitude of hostility towards outside capital objectionable to the business community, for they understood, better probably than the politicians, what the development of this continent owed to the British investor. They remembered the vast sums of British capital lost in Australia as recently as in the crisis of 1893, and the drought of 1902. They contrasted this attitude with that of Canada, where both British capital and the British emigrant were welcomed. Here, on the contrary, it had been generally felt that Australian Labour bodies, to say the least, were lukewarm on the subject of immigration. Both city and country development was retarded by lack of "hands," yet the Labour party, realizing the economic advantage of keeping the labour supply short, did nothing effectual to assist the immigrant. A few in the party appreciated the real situation, others professed a readiness to bring about immigration, but the party policy, whatever it may have been, produced no immigrants.

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These economic considerations solidified the opposition to the Referenda. There was a very general idea that the Federal Labour Ministry lacked both experience and ability in their handling of the finances of the Commonwealth. It surely required some great necessity to justify the initiation of a politically controlled Government paper money issue (legal tender notes convertible into gold only at the seat of Government), and to justify the virtual abolition of the private bank notes, not legal tender, which had hitherto operated quite satisfactorily. Yet this was entered upon, without special need shown and without any public demand, largely, apparently in order to obtain some millions of gold without the collateral need to pay interest. The financial history of the world furnishes many examples of disasters based upon wealth created by the Government printing press, and the business man regarded with apprehension the possibility of the politician, in times of stress, placing reckless hands upon the statutory gold reserves for the paper issues. If that happened, then the experience of the assignat and the greenback might easily be repeated in Australia.

Federal expenditure was increasing by leaps and bounds, and the man in the street was puzzled to recognize, in his immediate surroundings, any blessings at all commensurate with the rapidly increasing burden of Federal taxation.

Political. It now proves that it was a grave blunder to "bunch" several issues into one query, to which the elector could answer only a conjoint "Yes" or "No." Presumably the Federal Labour Ministry thought a majority would accept the lot, for the sake of the particular proposals they favoured, but it does not seem to have occurred to them that the elector was more likely to reject the lot because he objected to one or other of the items. In any case, it was a device hardly worthy of politics on the Federal plane, and it met with decisive defeat.

The "Legislative powers" issue proposed to give the Federal authority the right to legislate upon trade and

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commerce within a State; to control its corporations; to regulate its wages and conditions of employment; to settle its industrial disputes, "including disputes in relation to employment on State railways"; and to exercise power over its combinations and monopolies. All these issues were concentrated into one ballot paper, and the elector had to say "Yea" or "Nay" to the whole.

The Commonwealth, under the Constitution, already had power to control most of these interests, where two or more States were concerned, or a State and a foreign country. It was now sought to extend these powers to matters purely intra-State, but the man in the street could see no sufficient justification for the demand. He was not given the opportunity to exercise discrimination, and he therefore declined to grant the comprehensive request.

The railways remain the main State assets, their principal security for State debts, and it was felt that it would be extremely undesirable to hand over to the Federal powers the regulation of the railway services, while the States remained responsible for their upkeep and satisfactory running.

The "Legislative powers" referendum, if successful, would have meant a possible invasion of State authority to the extent of something like three-quarters of existing State powers.

Each of the "bunched" issues was far-reaching, but taken together their cumulative effect was enormous, and they teemed with unlimited possibilities of Federal intervention.

The "Monopolies" referendum was fairly clear cut, and the fact that it was defeated by almost as large a majority as the others indicates that it was unpopular in itself with a majority of the voters, for there was no "bunching," or needless complication (see May issue, pages 332-3). The defect was possibly this. The two Federal Houses could by resolution declare any particular industry a monopoly, and the Parliament could then legislate to oppose it or take it over. It was

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not necessary under the proposal that the business should *be* a monopoly; a majority in the two Houses had merely to *resolve* that it was one, and the rest followed; the opposed or resumed concern had no right of appeal to any Court of Justice. The proposal cut clean across the deep-seated British sense of fair play. No Federal authority would be likely to interfere with any decadent business venture, but only with the successful ones, thus penalizing good management. It was felt, too, that the "monopolies" cry was largely borrowed from America, for in Australia there were no "combines" on anything like the scale, and exercising anything resembling the alleged unscrupulous tactics, of some of the American trusts.

No one seriously argued that *all* "combines" were bad. The attack could therefore be legitimately aimed only at such as were detrimental to the public. The Federal opposition had offered to extend the Government powers, to cover practically all combines, wherever situated, *which acted in restraint of trade*. The Government had, however, refused to accept this, preferring to seek, through the Referenda, comprehensive powers over all industry, intra-State or inter-State.

In connexion with the "Trade and Commerce" issue, the Federal Attorney-General, while asking for "plenary powers" over this very wide domain, added that the Government "did not intend to use them." As a convincing argument this was about as happy an effort as that of the school-boy who defined a vacuum as a large, empty place where the Pope lived. In the first place, Mr Hughes's personal pledge would not necessarily weigh with the Caucus, or with the Labour Conference behind the Caucus, and, in the second, this statement was very generally regarded as political "slimness." If the powers were not wanted, why were they sought? To grant them meant that both Federal and State Parliaments would have the right to legislate over a wide common area. The Federal Act would be paramount in cases of conflict, but this meant all the uncertainties and complications of concurrent legislation.

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The "Corporations" issue involved this absurdity. The Commonwealth might have enacted that corporations were only to employ teetotallers. On the other hand, their business competitors, the firms or sole traders, could carry on as they liked, subject only to State law. The instance given is, of course, not serious, but it sufficiently illustrates the point.

In connexion with industrial disputes, there already existed a Federal tribunal with power to adjudicate upon disputes affecting two or more States. A dispute confined within a State remained under the exclusive law of that State. To give its decisions an Australian value it was necessary that the Federal Arbitration Court should have the power to make a "common rule"; but a High Court decision had denied this right. This was a point which unquestionably needed to be rectified, and had the Referendum enabled the man in the street to vote upon this as a single issue it is probable there would have been a very large affirmative decision. The "tacking" of several questionable issues upon this legitimate one left the majority of electors no option but to vote "No," and the attempt to bring State railway servants under Federal jurisdiction assisted materially in that direction.

Another consideration which formed the subject of heated political oratory, especially in the larger States, was the question of State representation in the Federal Senate. The Senate, "ex hypothesi," was the special guardian of State interests and particularly those of the smaller States. Each State had the same number of senators, namely six. This was only justifiable as long as each continued to control its own internal destinies. If, however, the Federal authority was to have power to invade most of the State domain, then equal representation in the Senate would become an intolerable farce. Proportional representation in the Senate as well as in the House of Representatives must follow, when New South Wales, for instance, would have thirteen senators, Tasmania two. On the basis of *equal* representation this inequity might arise; on

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a purely New South Wales question, the Tasmanian senator's vote would have equal potency with that of the New South Wales senator, yet the latter would represent nine times the number of electors! The requisite change would not, however, have been a matter of easy accomplishment under the Constitution, and the Federal Labour Ministry had made no proposal in that direction.

At the opening of this article reference was made to the sharp drop (say 235,000) in the total Labour vote at the April, 1911, Referenda, as compared with the April, 1910, elections. It is possible that a few people had voted "Labour" in 1910, because the "Fusion" cause (Free traders newly joined with Protectionists) was not a popular one, and these in 1911 no doubt returned to the Liberal banner, on the direct issue submitted by the Federal Labour Ministry.

The chief cause was undoubtedly, however, the fact that the State Labour Ministries, in New South Wales and South Australia, were largely out of sympathy with the Federal Labour Ministry's proposals. The State member was, as a rule, in closer touch with his constituency than the Federal member covering a wider area. Labour electors looked to their State members for guidance on the Referenda, and no doubt drew their own conclusions when nearly all their State representatives preserved a discreet, if not indeed a sullen, silence.

Further, when the Sydney Labour Conference in February, 1911, rather unwisely muzzled those members of the New South Wales Labour Ministry who were known to be antagonistic to the Referenda, their action was not only deemed to be tyrannical, but it almost savoured in addition of the consciousness of a poor case. As a matter of tactics it would probably have been wiser to let these Ministers speak as they chose. The custom of loyalty to the party would inevitably have placed severe restrictions on their utterances. Whatever they said under the circumstances was not likely to damage the Labour cause more than their compelled silence. In point of fact their dumbness became as

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effective as that of the golfing cleric, who, after repeated foozling, gave himself up to what his opponent called a "profane silence." There is no doubt a number of the rank and file in the State Labour parties refrained from voting, in sympathy with their gagged State representatives.

Quite apart from these special reasons, the Referenda made a somewhat cold appeal to public attention. The points were not readily grasped by the average elector, and at any time the most gifted speaker found it difficult to rouse an audience with constitutional points. The direct personal antagonism, so exciting a feature at elections, was, of course, absent, and with it went a great part of the customary enthusiasm. This, too, may have led to some lost votes on both sides, and, under the circumstances, the increased Liberal vote was the more surprising.

The electors of the States are the electors of the Commonwealth, and it might be assumed, therefore, that no serious trouble between Commonwealth and State could arise. Such differences as arise are, however, largely differences of the political arena. Australia is over-legislated in each State, with a superstructure of additional Commonwealth legislation. The community is surfeited with legislation, and weary of the eternal strife of politicians.

There are matters to which the Commonwealth might reasonably attend, as, for instance, uniform legislation of a reasonable character on banking and bankruptcy. Furthermore, the requisite additional powers would, no doubt, be readily granted by the States, to invest the Federal Arbitration Court with the "common rule" power, also to enable the Commonwealth to bring in a uniform company law. The "Referenda" were beaten because, needing an inch, the Federal Ministry sought an ell. The impression had grown that the Commonwealth authorities desired, by hook or by crook, to encroach unduly upon the State's domain, and therefore the majority of electors voted as State men rather than as Commonwealth men.

Australia. October 1911.

SOUTH AFRICA

I. THE CENSUS RETURNS

THE preliminary returns of the census which was taken throughout the Union on May 7 last have now been published, and it cannot be said that they afford much satisfaction to those who were hoping to see a marked advance of the European population since the last census was taken seven years ago. In the Transvaal and Orange Free State provinces there is a notable increase of the European population, viz., 123,554, or 41·56 per cent, in the Transvaal, and 32,756, or 22·96 per cent in the Orange Free State. These figures, however, are largely neutralized by those for the Cape province and Natal, the former of which shows an increase of only 3,436, or ·59 per cent, and the latter an increase of 1,473, or 1·52 per cent. In the two last-named provinces the male European population actually shows a decrease in comparison with the 1904 figures: in the Cape a decrease of 16,825 and in Natal a decrease of 3,927. Over the whole Union there is an increase on the European population of 161,219, or 14·44 per cent, making a total of 1,278,025, against 1,116,806 in 1904.

A close examination of the figures in the Cape shows a marked decrease in the European population of the Cape peninsula (including Cape Town), in the two largest sea-ports after Cape Town, viz. Port Elizabeth and East London, and in the chief wine growing centres, whereas the country districts on the whole show a natural rate of increase. The population figures therefore reflect the serious falling-off in trade which has occurred at the Cape ports, owing to the movement of the through Transvaal traffic eastwards to the ports of Durban and Delagoa Bay, and also the depression which of recent years has affected the wine-growing industry of the Cape province. The decrease in Cape Town has also, no doubt, been accentuated by the concentration in Pretoria of the administrative offices of the Union Government. Given these various facts, the

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figures, though disappointing, need cause no surprise. In ordinary agriculture there has been no marked progress in the Cape Province during the period 1904-1911. The production of ostrich feathers and wool has grown considerably, but these industries do not carry with them a large European population. Wine farming has been seriously depressed. The one great industry of the province, the diamond mines of Kimberley, has been gradually recovering after a bad slump, and in any case cannot, in the nature of things, look for much expansion. The carrying trade to the interior has been gradually leaving the Cape ports. There is no sign of any industrial development in the Cape province which is likely to bring any marked increase of the European population. It must look to its agricultural resources alone, as far as can be seen at present, and unless these are utilized with more skill and energy than in the past, and something serious is done in the direction of irrigation, improved methods of cultivation and closer settlement, the rate of increase in the Cape province is likely to be very slow.

In Natal the main decrease is at Maritzburg, and is doubtless accounted for by reduction in the garrison and the removal of civil servants to Pretoria. But the figures for the rest of the province do not give much ground for encouragement. The sugar plantations have been lately enjoying remarkable prosperity, and have been rapidly extending the area of cultivation, and improving their machinery. Hitherto, however, the whole sugar industry has been worked by coolie labour, and the numbers of Europeans employed by it have been at a minimum. As the Indian Government has now declined to allow any further importation of indentured coolies by Natal, it is possible that the plantations may turn their attention to the employment of European labour. The present prosperity of the industry, and the high protection which it enjoys, in the form of custom duties on imported sugar at the coast and additional railage charges on its conveyance inland,

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make the present time favourable for the planters to try to follow the example of the planters of Queensland when they lost their Kanaka labour. Unless this can be done, and unless the lands above the sugar belt can be made to carry a large European population, at present there is little hope in Natal of any improvement in the existing state of things. On the contrary, the European population will be largely ousted by the rapidly growing Indian population. The figures speak eloquently on this point.

	<i>European or White.</i>	<i>Percentage increase.</i>	<i>Coloured races other than Native.</i>	<i>Percentage increase.</i>
1904	97,109		107,604	
1911	98,582	1.52	141,568	31.56

In the Orange Free State the increase is all the more remarkable because, with the exception of some diamond mines which have been opened since the preceding census, there has been no industrial development in the province. The population is, as it has always been, almost entirely an agricultural population. Some increase may be due to the fact that in April, 1904, when the preceding census was taken, all those who left the country owing to the war had not returned; but, on the other hand, there have been since that time large reductions in the strength of the military and constabulary forces. Only one of the twenty-three census districts in the Orange Free State shows a falling-off as compared with 1904. The increase is not in the town population, but in the population on the land. The same holds good of the country districts of the Transvaal. There, every one of the districts shews an increase, and several purely agricultural districts shew increases of 40 per cent and over.

If we compare these results with those exhibited in the Cape and Natal, one cannot help being struck by the contrast of expansion and stagnation. No doubt a natural recuperation after the war is to some extent accountable

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for the increase in the northern provinces, but the process has not stopped at making good the losses of the war. A much larger extent of land is now under the plough than was the case before, the production of mealies (maize) and other agricultural produce has enormously increased, and there has been no Asiatic immigration (as in Natal) to prevent the increased use of the land from reflecting itself in an increased European population.

In the Witwatersrand district there has been a large increase—from 120,532 to 193,156, or 60·25 per cent. This increase is the direct result of the expansion of the gold-mining industry, and its maintenance is directly dependent on that industry.

Taking the European population throughout the Union, one notices, as a sign of more settled conditions and greater permanence, that there has been a considerably greater increase on the female than on the male side. At the 1904 census the proportion of males to females was as 100 to 75·84. It is now as 100 to 86·18.

In the case of the native population there are several causes which make an exact comparison of 1904 and 1911 difficult. In the first place, anything like an accurate enumeration of natives living in conditions of primitive barbarism is impossible. In the Transvaal it had not been attempted before 1904, and even then the unsettlement of the war made the natives more than usually suspicious of the intentions of the Government. It is probable for these reasons that the enumeration of 1911 is more accurate. Again the movement of natives to industrial centres, especially to the Witwatersrand gold mines, seriously disturbs the natural geographical distribution of the native population. For instance, the Witwatersrand Gold Mines have, during the period 1904–1911, largely increased the number of native labourers drawn by them from the Cape province, as well as the numbers imported from Portuguese territory and other places outside the Union. The natives imported from outside the Union for labour on the mines

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constitute a floating population. They all return to their homes at the end of their contracts, and stay away for considerable periods, until the need of money brings them out again. Meanwhile their places are taken by others, and the total number remains at about 100,000. This must be borne in mind in considering the figures given in the census returns for the native population of the Union or of the Transvaal. The native labour employed elsewhere than on the Transvaal gold mines is drawn almost entirely from inside the Union, and so does not affect the total figures for the Union.

The figures given in the census returns for the native population show an increase over 1904 for the whole Union of 565,978, or 16·19 per cent. If we take into account the increase in the numbers imported from outside the Union during the period, the rate of increase of the Union native population would probably be found to be about the same as the rate of increase of the European population. In the Cape and Natal, however, notwithstanding the drain on the male native population there to the labour centres of the Transvaal, there was a percentage increase of 8·46 and 5·28 respectively as compared with the percentage additions to the European population of ·59 and 1·52 respectively in these provinces. The total native population of the Union is returned at 4,061,082.

II. IMMIGRATION

DETAILED figures are not yet available to shew to what extent the increase in the European population is due to immigration, and to what extent it is the normal natural increase. The question of the increase of European population, however, is for South Africa of more than merely statistical interest. In it is contained the question whether South Africa is ultimately to be inhabited by men of European race or of negro race. Ultimately it is a question of numbers, and if the proportion between the two races

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which now exists, i.e. 4,061,000 natives to 1,278,000 Europeans, or anything like it, is to be the permanent relation between the two, the question is decided against the European. That explains why the subject of European immigration has become one of the most pressing public questions. The attitude of the Union Government on this subject is somewhat uncertain, and the public utterances of ministers shew that the uncertainty inside the Cabinet is no less than than that which prevails among the public outside. Two views seem to be prominent in the councils of the Government. One is the view represented in recent public speeches of General Hertzog—that the State should not assist immigration, because a large population in a country means a reduction in the general standard of living, and a mass of poverty and crime, and also because to bring people into this country from outside is to take away the heritage of the people who are settled here already. Judged by ordinary standards of reason neither of these arguments would appear to carry much weight. In the present circumstances of South Africa, however, there is no doubt that they appeal to a considerable section of the people. They appeal on the one hand to a considerable section of the artisan classes who fear that the very high wages now ruling in the Transvaal for skilled workmen will not be maintained if there is a large influx of competitive labour from outside. These men are, therefore, very ready to listen to the suggestion that the policy of state-aided immigration is promoted by the capitalists with the object of reducing wages. On the other hand these arguments appeal to the national and racial feelings of a large section of the Government party, who think that an influx of immigrants will swamp their race and their natural characteristics, and will ultimately dispossess their descendants of the land.

The other view is that of the more progressive members of the Government, who see that the position of the European population in South Africa is too serious to allow of further

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delay in reinforcing it from outside. They cannot, however, either overcome or disregard the strength of the opposite view among a section of their followers, and they are therefore obliged to temporize, and to say that the Government's first duty is to put back on the land the thousands of poor Afrikanders who have drifted into the towns, and when that is done it will be time to consider a policy of immigration. In these circumstances it does not appear likely that any active steps will be taken at present in the direction of a State scheme of assisted immigration.

III. THE CENSUS AND REDISTRIBUTION

ONE result of the figures disclosed by the census will be an increase on the representation of the Transvaal in the Union House of Assembly. The Act of Union fixed the number of members to be elected in each Province for the first parliament. The basis of representation was the European adult male population, but, as a concession, the Orange Free State and Natal, being much smaller than the other two States, were given representation in excess of what would have been their proper number. For the future the Act provided that there should be a census in 1911, and every five years thereafter, and, if any province showed at any such census an increase in the European male adult population equal to the Union quota or any multiple of it, such province should get an additional member for every such multiple. By the Union quota is meant the total European adult male population of the Union divided by the number of members of the House of Assembly. As regards the two smaller States, whose representation was greater than it should have been on the number of their male adult population, and whose quota was therefore less than the Union quota, it was provided that a province should only be entitled to an increase when its quota was equal to the Union quota—or in other words when the number of members allotted to it bore the same relation to the number

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of European male adults in that province as obtained throughout the Union. The number of members allotted to any province was in no case to be reduced till the total number of members of the House of Assembly reached 150. When that happens there is to be a uniform distribution of seats throughout the Union.

The result of applying these somewhat complicated provisions to the new census figures is that the Transvaal will get nine additional members. This will bring the Transvaal representation in the House of Assembly up to 45, and the total number of the House to 130, distributed as follows: Cape 51, Transvaal 45, Orange Free State and Natal 17 each.

IV. NEUTRALITY OF SOUTH AFRICA IN CASE OF WAR

GENERAL Botha has lost no time on his return to South Africa in letting his opinion be known on the views recently announced by the paper which is regarded as the mouthpiece of the Government party, and which declared that in the case of the United Kingdom being involved in war it would be optional to South Africa—and in certain circumstances might be advantageous—to declare herself neutral. In a recent speech to his constituents at Losberg he dissociates himself emphatically from this opinion. At the same time he announced his adoption of the constitutional principle that the defence forces of a Dominion, whether naval or military, are under the sole control of the Government of that Dominion. That, indeed, since the Conference, may be taken to be the accepted view of the relation of the Dominions to the mother country as regards the common defence of the Empire. It may be thought by some to be a negation of the idea of common defence. Undoubtedly a system of naval defence which refused to work except in small, isolated, and independent units would not be of much assistance to a power

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such as the British Empire, whose first and only line of defence must be to keep the seas and destroy any hostile fleet which is strong enough to count.

At the same time it is recognized as being the most that the Empire can do towards common defence, until the different members are ready to take a further step in the direction of constitutional unity. So long as each Dominion is in fact an independent state politically and financially, with no responsibility for the external relations of the Empire, so long will it be impossible for the mother country to insist that the armed forces of the Dominions should, as a matter of right, be under the control of the British Government in time of war. But, as General Botha points out, this attitude on the part of the Dominions is very different from that which would allow of a declaration of neutrality on the part of one dominion in the case of some other part of the Empire being involved in war. That, as he said, would mean separation from the Empire.

This declaration is a timely one. The original announcement in the Government party paper of the neutrality view was probably no more than a straw thrown up to see how the wind blew. But it certainly received from some of General Botha's colleagues enough support to show that the views expressed were to some extent representative. The imperial relation will be more of a reality both here and in the other Dominions when it is understood as involving obligations, so long as these obligations imply no derogation from the fullest rights of self-government.

South Africa. October 1911.

NEW ZEALAND

I. DOMESTIC POLITICS

AT the time of writing Parliament has just opened for the last Session before the general elections in November. It may, therefore, be appropriate to follow up the broad sketch of New Zealand history contained in the February number of *THE ROUND TABLE* by a short statement of the present political situation.

It may be known to the reader that for twenty years one political party has remained continuously in power under successive leaders—Ballance (1891-3), Seddon (1893-1906), and Ward (1906-11). This surprising fixity of tenure is in strong contrast with the earlier political history of the Dominion, when ministers went and came with what Mr W. P. Reeves has truly called “an almost French instability.” Various explanations have been offered of these facts, according to the point of view of the investigator. Political supporters of the party in power have attributed its long political rule to its progressive policy of social reforms or experiments—such as Old Age Pensions, Compulsory Arbitration, State Loans to Farmers and Artisans, State Fire Insurance, State Coal Mines, and schemes for Land Settlement. On the other hand, political opponents have found a sufficient explanation of the continuous ministry partly in the economic prosperity of the country—owing to the high prices obtained for exports of wool, mutton and dairy produce—and partly in the annual expenditure of enormous government loans for public works and the development of the natural resources of the country. It is claimed by the Opposition that the judicious distribution of these borrowed millions throughout the electorates has done much to sweeten the constituencies and has fructified at election times in votes for the Government.

These several explanations are not mutually exclusive, and an impartial student would find no inconsistency in adopting them both. At any rate, at the present time the

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Ministerial party still holds an overwhelming numerical majority in Parliament. But during the last few years politics have become devitalized, and a general torpor has permeated the whole political atmosphere. The Dominion appears to have drifted into the doldrums of politics, and the attitude of the average citizen is to shrug his shoulders and cry a plague on both your houses. So that while Canada has recently been convulsed with the consideration of the reciprocity treaty, and Australia with the Referendum on the Constitution, New Zealand has lain in a state of political listlessness and inactivity. By many it is alleged that the Dominion is so drugged with material prosperity that political problems have become a matter of indifference. There is no clear line of demarcation between the Opposition and the Ministerialists. Such differences as are observable relate more to questions of administration than to questions of policy. The Ministerialists believe that borrowing is necessary; so do the Oppositionists, but the latter aver that the borrowing should be curtailed. The Ministerialists are at sixes and sevens on the policy of selling State lands: they are largely pledged to a leasehold system as against the freehold system which the Opposition advocates, but it is probable that the majority of the members of both parties on a non-party division would support the freehold system, with limitations to prevent land monopoly. Free Trade and Protection have not been debated in election politics for at least twenty years. Both parties support the citizen army scheme, and only stray members of either party have yet got beyond the rhetoric stage in dealing with Imperial questions. Indeed, except on historical grounds, no visitor to the Dominion could find any adequate explanation of the existence of two distinct parties in Parliament.

The apathy which now affects politics may be a reaction from the legislative fertility of the Seddon era which kept the country, and, indeed, the Empire, agog with curiosity. What was still more remarkable was the political sagacity and masterful tactics by which Seddon outmanœuvred any

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attempt to form a distinct Labour party, and by which the politics of New Zealand were saved from the anomalous three-party system which prevailed for some years in various Australian States.

It was because Seddon always succeeded in persuading the electors that a Liberal-Labour Alliance was the only true path of progress that he came to be regarded by the public before his death as a force making for moderation and safety.

If nothing but Seddon's personality prevented the emergence of a distinct Labour party, it may be asked why one has not emerged since his death in 1906. Only one general election has since occurred (1908), and the Labour party was at that date too unorganized and divided to undo the Seddon tradition. Its possibilities at the coming election turn on the question how far it can consolidate its conflicting factions.

At the present time there are two organizations claiming to represent labour. The first is the New Zealand Federation of Labour organized by the Miners' Unions, flying the red flag of revolutionary socialism and bitterly denouncing all other parties, especially all other Labour parties. It advocates Industrial Unionism (which is known in Europe as Revolutionary Syndicalism, and in America as I.W.W.-ism). Probably it has a membership of not more than 6,000 or 7,000. Its organ is *The Maoriland Worker*, a weekly publication devoted to the cause of Revolutionary Socialism. In its view all the legislation of the last twenty years is merely palliative, designed to gull the workers and prolong the reign of Capitalism; strikes are a more efficient weapon than arbitration; and a citizen army is a tool of the capitalists designed to crush the worker or drill him to submission. Following the school of Karl Marx, it holds as its cardinal doctrine that the interests of the workers and the employers are irreconcilable, and that between the two the class struggle must be relentless and continuous.

The other labour organization is the Trades and Labour

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Councils Federation, which represents the great body of general trades and labour unions, and has a membership of about 50,000. It is formed on the lines of the Australian Labour party, and its members may be described as Fabian or step-by-step Socialists. It represents the Trade Unions, acting in their political capacity. It first grew to strength in 1890, and the few quasi-labour members who have found their way into Parliament were returned by its efforts. During the Seddon régime, owing to its solidarity, it had a larger influence in politics than any other section of the community, not even excepting the farmers. But in course of time the trade unions came to think that their representatives in Parliament were being gagged by Seddonian Liberalism. And so, in 1906, it officially declared in favour of an Independent Labour Party in politics. So far, however, its efforts to return even the nucleus of such a party have failed. This year it will again enter the field, and with that object in view it has lately engaged an eloquent American Socialist—Professor W. T. Mills, of Milwaukee, author of *The Struggle for Existence*—to lecture throughout the Dominion “with a view,” it is stated, “to consolidating into one great Dominion organization the whole industrial economic and political activity of the useful people of New Zealand.” The main planks of its “immediate fighting platform” are:

1. A State-owned ferry service. (This probably means a State service between the North and South Island to compete with the present service of the Union Steam Ship Company.)

2. The restoration of full political rights to all public employees. (At present State employees may vote but must not take an active controversial part in politics. There are more than 40,000 persons directly employed by the State, and the number grows yearly.)

3. The initiative, referendum, and recall, to be applied to all legislation, both local and national, and to all elective officers whatsoever.

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4. The elective executive.

This platform is, however, far too mild for the New Zealand Federation of Labour (the Revolutionary Socialists), whose organs have already denounced it as preposterous and reactionary. It would appear to the onlooker as if the peculiar genius possessed by the forces of labour in New Zealand for internal disruption will again manifest itself and stultify the attempt to secure united action at the coming elections.

It will be seen, therefore, that while there are only two parties in Parliament, there are four in the electorates—the Ministerialists, the Opposition, the Trade Union Labour Party, and the Revolutionists. The first two hold the political field, but have some difficulty in finding fresh fighting ground for future elections. The last two find plenty of fighting ground, but, though really one party, they wage an internal attack on one another as well as making an assault on the electorates.

It may be added that the issues are further confused by the presence of the Prohibition party, which is campaigning in the interests of national and local prohibition. Strictly speaking, prohibition is a separate question, on which a distinct referendum is taken. But the referendum is taken on the same day as the Parliamentary elections are held, and at present it attracts more interest than the political issue and obscures the whole atmosphere.

Hence, amid all these confused and clamorous voices it is difficult to see hope of any clear consideration of domestic politics. Still more puzzling is it to see any prospect of any steady consideration of the wider and more difficult problems of Imperial interest. These impinge but obliquely on the elector's mind through the murky haze of internal politics. He knows that Imperial problems exist, but to him they are still vague and formless. He regards the proceedings of the Imperial Conference almost as matters of merely academic interest.

II. THE CITIZEN ARMY

IN the May number of *THE ROUND TABLE* the history of the scheme for compulsory training was outlined and the difficulties of administration were foreshadowed. Since then good progress has been made towards bringing the scheme into operation. At the time of writing, the Defence Report by Major-General Godley has been laid before Parliament. This report sets out concisely the steps already taken, and the results achieved. It will be remembered that the ages of training are briefly as follows:

“From the age of twelve to the age of fourteen the boy will be a junior cadet, and will perform a certain amount of elementary military training, chiefly physical, under the direction of the Education Department. On reaching the age of fourteen, or on leaving a primary school, the boy will be transferred to the senior cadets, and will then become a member of the military forces. Though not liable to be called out to fight, he will remain a senior cadet till he is eighteen. On reaching the age of eighteen he will, if found, on again being medically examined, to be physically fit, be drafted into the Territorial forces. As a territorial soldier he will be liable to be called out at any time for service within the Dominion. On reaching the age of twenty-five he will be transferred to the reserve, in which he will remain till he reaches the age of thirty, when he will be discharged. As a reservist he will be liable to be called back to his regiment in case of war or other national emergency. If he belongs to a rifle club he will, so long as he remains a member, be liable, up to the age of fifty-five, to be called up as part of a secondary reserve to fill the ranks of the Territorial forces, after its own reserve has been used up.”

The results of the proclamation calling upon all those liable to register to do so have been more satisfactory than was anticipated. Up to July 16, 21,838 territorials had registered and 29,991 senior cadets. In his report General Godley says:

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“To arrive at the numbers available for training there must be added to the territorials now serving as follows:

Under twenty-one years of age	6,309
Those over age and desirous of and permitted to continue service	2,862
Territorials	<u>21,838</u>
Making a total of	31,009

This is practically just the strength required for the new army establishment of 30,000 men.”

At present the youths already registered are being medically examined before being posted to their regiments. The official results of the medical examination are not yet complete, but the information available throws an interesting, if not very cheering, light on the national physique. The city doctors state that the teeth of the majority of the lads examined are simply deplorable. Not one in twenty would get through the Royal Navy test for teeth.

“The number of lads,” says one doctor, “of sixteen or seventeen with artificial teeth is simply appalling.” Another doctor informed the writer that what impressed him most was the weedy physique of the city lads, whose development was far below an average standard, and so inferior as to make it difficult to believe that their age was correctly stated. Cigarette smoking has had its stunting effect on many, and deficient eyesight was remarkably frequent. This recalls the fact that in 1909, when *H.M.S. Pioneer* was in New Zealand waters, out of one hundred and six applicants for enrolment fifty-four had to be rejected as physically unfit. Later on, during two months, out of one hundred and eleven applicants sixty-one were rejected. The percentage of rejections in England under the same tests was only forty-two. These phenomena are surely startling in a young country, where the cities are small and where the distribu-

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tion of population is a matter of favourable comparison with most Australian States. When one considers the easy industrial conditions as to hours of work, the healthy climate, and the high-grade class of immigrants from which the race is being built up, it is difficult to acquiesce in the medical testimony. It may be that complete reports will make a better showing than the fragmentary statements that have appeared. If not, the public may realize more effectually the urgent need to support the system as a means of improving the national physique, at any rate, so far as city youths are concerned. If in the future the medical examination is made more searching and systematic—at present it is avowedly lenient—it will afford valuable material to the student of race and sociology in a country where many assumptions are liable to turn out to be untenable.

It must not be thought that no murmur of opposition to the scheme has yet been heard. To be sure, the general public opinion is strongly in its favour; the politicians have not made it a party question; and the daily Press is unanimous in its support. Nevertheless, the Quaker conscience has manifested itself, and the dogged sons of revolutionary socialism have explained to patient magistrates that they disbelieve in “militarism and legalized murder.” Some of these passive resisters have been forced to register under threat of law, others have been fined, and one or two, who have failed to pay their fines, have been imprisoned. At a meeting held in Wellington recently one defaulter, who served twenty-one days in gaol rather than register, was “presented with a gold medal from the Runanga Anti-Conscription League.” This meeting was presided over by the president of the local branch of the New Zealand Federation of Labour, and the federation organizers made the presentation.

But the rank and file of labour is not against the scheme. It has already been shown in an earlier part of this article that there is no united Labour party in New Zealand. The material for such a party is divided into several contending factions. The desire to suffer martyrdom rather than join the

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Citizen Army is confined to the members of the smallest and most vehement of these factions—the school of revolutionary socialists. The gist of their argument is that there is no chance of invasion, that if invasion does eventuate resistance would be useless, that the proletariat has nothing to defend, and that they believe in a “universal brotherhood of labour,” the members of which will refuse to war on each other. It is curious to reflect that such views can be held by that section of the community which is the most insistent of all in a policy of exclusion both of coloured and white labour. One of the evanescent socialist papers in Auckland recently salved its conscience and reconciled its hostility to militarism with its desire to fill up advertising columns by publishing (at market rates) the Proclamation requiring enrolment, and appending thereto a fierce denunciation and call to resistance. These men do not represent any large section of the workers, notwithstanding the fact that some years ago the Trades Councils Conference, the most representative labour organization, discussed, and by a narrow majority decided against, compulsory training. For since then the Australian (Labour) Government has enacted a compulsory training scheme, now coming into operation in Australia. With such a precedent to keep them in countenance, it is probable that the moderate labour party in New Zealand would now support the system. Their present socialist organizer, Professor Mills, has expressed emphatic opinions in favour of a citizen army.

The truth is that the serious opposition will not come from the theorists, nor from the National Peace Councils, which are protesting against the scheme, nor from those athletic bodies which are protesting against the curtailment of sport, but from the men whose immediate economic interests seem most likely to be interfered with. Chief among these are the small dairy farmers, whose cows will not wait to be milked until the sons have done a week's training. General Godley has shrewdly seen that the real problem lies in this field, and has concentrated his efforts on trying to fit

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in the requirements of training with the exigencies of farming life. He has attended farmers' meetings where opportunity offered, courting suggestions and offering legitimate compromise to enable scattered units to be drilled. For example, in the regulations which have been issued it has been laid down as a general guide that in country districts "the radius of compulsory attendance for drills and half-day parades shall be one hour's journey, and for whole day parades two hours' journey," and that, as many of the drill centres will be difficult of access and may, in extreme cases, comprise no more than a small squad, the men may be collected either between milking hours or at a barn or schoolhouse in the evening. Again, in the case of Quakers, the posting officers have instructions to post members of this denomination to non-combatant branches of the service without further question.

If the scheme is made workable it will be largely owing to the tact and pertinacity of the commandant. He hopes to have all the men posted and their training commenced by September. It is then that the critical stage of the scheme will commence. The Australian scheme began working in July, and it is a good augury that in that country no serious opposition has so far manifested itself.

It will not be known for some time yet how strong the opposition to the scheme will prove to be. But at present the general public and the Press are in favour of it and are more alive to the issues at stake in this question than in any political question, except, perhaps, Prohibition. They realize that if compulsory training fails it will be impossible to revert to the old volunteer system.

III. POPULATION AND IMMIGRATION

THE recent census showed that the population of New Zealand on April 2 last was 1,008,407, excluding Maories and the inhabitants of the annexed Pacific Islands. The increase during the last five years was 119,829, as

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against 116,859 for the period from 1901 to 1906—that is, an increase of 11·88 per cent as against 15·12 per cent for the last-named period. The increase by births during the five years since 1906 was 80,567 and by immigration 36,712.

These figures indicate that it will be many years yet before the country is fully populated. Mr Richard Jebb in 1905 surmised that New Zealand, with an area approximating to that of the United Kingdom, would rapidly expand its agricultural community up to eight or ten millions, with a proportionate industrial population. But it is a mistake to suppose that the settlement and population of New Zealand can expand rapidly. At any rate, there are several agencies at work to prevent the Malthusian spectre of overpopulation distressing even the most speculative philosopher. For the country, though very fertile and productive in parts is, in its main features, broken and mountainous.

Practically all the land easily accessible to settlement has already been taken up, and the remaining areas fit for settlement can only be brought into cultivation by gradual and patient effort. Furthermore, the process of resuming large holdings suitable for subdivision requires a great expenditure of money, owing to the high price of land; and even when graduated land taxation forces large holders to subdivide, the sale prices are much too high for the average immigrant.

It is this difficulty that is responsible for the Government policy of assisting farm labourers rather than farmers to immigrate. There is a constant drift in New Zealand, as elsewhere, from the country to the town, and farmers complain that they cannot get labourers, even at times when unemployed are asking for work in the cities. The recent census returns show that 50·14 per cent of the population is now urban, and 49·29 per cent rural. The distribution at the last census in 1906 was 47·77 urban and 51·63 rural, and the present return is the first which has shown the balance the wrong way.

The two other classes of immigrants most in demand are

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domestic workers and factory hands. The difficulty which confronts the Government here is the opposition of the trade unions to any systematic immigration policy. A deputation of trade unionists recently protested to the Minister for Labour against even farm labourers being imported, as "they were of opinion that there were sufficient workers in the country at the present moment to meet all necessary requirements." In his reply the Minister emphasized the necessity of getting farm labourers, and said the Government had absolutely declined to help anybody but farm labourers and domestic hands. The latter were most necessary, and if the birth-rate was to be kept up the women could not go on without domestic help. He had applications from factory employers asking him to bring out 1,200 girls, with a guarantee of three years' employment, but he had declined. If the manufacturers wished to bring out labour they should do so themselves.

In the annual official report of the Department of Labour just presented to Parliament, it is stated that there is a continued dearth of factory labour, especially of girls and boys; that manufacturers have represented over and over again how greatly they have been handicapped through want of hands, and that manufacturers have advertised in Great Britain for hands without any apparent success. The official explanation is that employees in textile industries are making a comfortable living in England—in fact, some of the more skilled workers receive wages in excess of those paid in New Zealand,

"and when the difference in the cost of living is taken into account the skilled factory worker at home has little to induce her to leave England, unless it be the better conditions ruling in New Zealand as to working hours and holidays."

After pointing out that the number of factory employees between the ages of fourteen and twenty years fell last year from 18,960 to 18,173, the Secretary for Labour proceeds:

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“ This continued falling-off of hands must be viewed with grave concern. Mr Tregear, in his report last year, pointed out that with a diminishing birth rate and limited immigration there is very little hope of any improvement being effected. I can but indorse this statement. Orders for local work have been refused over and over again in the textile factories, owing to there not being sufficient labour available to tend the machines, while the fruit trade and biscuit and confectionery trade, as well as others, cannot at certain seasons cope with the work.”

It will be seen from these official statements that the immigration problem is a pressing one, both in town and country. If we add to the natural disadvantages of New Zealand its remoteness and its want of free land, the artificial barriers created by the powerful opposition of the trade unions, and the alleged absence of any marked economic advantages for the factory worker, it is idle to predict any rapid expansion in population. The problem in New Zealand is the exact reverse of that in Canada, where the question is how effectively to absorb the great flood of immigrants from Europe. Professor Leacock has urged with great force that if Canada is to build up a great nation she must winnow out “ the vast influx of the mere herds of the proletariat of Europe.” On the other hand, it is imperative, if New Zealand is to be effectively occupied and developed, that she should no longer be content with the present trickle of immigrants. This does not mean that New Zealand immediately aims at becoming a manufacturing nation. Professor H. W. Segar, of Auckland, one of the most thoughtful writers in the Dominion, has pointed out that, owing to her remoteness and the fact that among the countries of the world she has started late in the race for population, New Zealand must remain chiefly pastoral and agricultural for an indefinite time.

“ If New Zealand can never escape ” [he says] “ from the position of a predominantly pastoral and agricul-

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tural nation, the rosy estimates we sometimes hear of her great future population are foredoomed to non-fulfilment, and her rapid development will cease at a much earlier period than is commonly anticipated. It is quite certain that New Zealand cannot maintain in anything like the present standard of comfort five million people exporting the same proportional amount of food and raw materials as at present. Her transformation to the status of a manufacturing nation, if it ever eventuates, will be slow and painful."

Moreover, it would require to be accompanied by a lowering of the standard of comfort in approximation to the condition of the workers of those countries with which she wished to compete.

To the writer it seems that population is the first requisite upon which all the after-issues hang. New Zealand needs population more urgently than any part of the Empire, except Australia. A New Zealand writer, in a recent article, after pointing out that the rural population of the northern part of the United Kingdom is rapidly drifting into the cities, and then from the cities across the seas, to be replaced by alien races, wanderers from the crowded warrens of Europe, and pioneers from India and China, says:

" Fifty years hence (or even less) it looks as if it would be impossible to answer Mr Redmond's question, ' Whose Empire is this? ' so composite a mixture of races will Great Britain show if the present process goes on. . . Europe is emptying itself into America. . . . The white man is pushing into Oriental countries, while the yellow man is beginning to swarm round the gates that look towards the setting sun. The whole world is being rapidly mixed together. One may sympathize with efforts to keep races distinct and pure, to preserve New Zealand as a white man's country. But we fear that it is Mrs Partington and her mop again. Even the stars in their courses are in league against it."

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The best way to falsify this sad but suggestive prophecy, so far as New Zealand is concerned, is that she should import and assimilate suitable immigrants as quickly as economic conditions will permit. For in any sane vision of Empire a redistribution of the population of the Empire must hold a large place.

New Zealand. Oct. 1911.

INDIA

I. RETROSPECT OF THE PAST FEW MONTHS

DELHI, after being dust-dry all the year, experienced at the end of September a terrific downpour of rain which added heavily to the labours of those engaged in the preparation for the coming Durbar. But the damage done has been heroically repaired, and the experts and enthusiasts at work can be trusted to omit no detail of ingenuity or magnificence which will help to make the ceremony worthy of the King's presence in person among his Indian subjects. The country feels that it is on the eve of a great event which will eclipse all other objects of attention. Many, indeed, look forward to it as the inauguration of a new era. In this they may be disappointed; but it is a convenient season to turn and take stock of other events and movements of the past few months in India.

The hot weather and the rains are the dull period of the year, designed as it were by nature for a recess. The great annual land-mark in India is the budget debate, taken in the Viceroy's council at the end of March, which summarizes the activities of the expiring twelvemonth and shapes the programme for the coming one. In the provinces legislative activity lasts for a month longer. April is still a busy month for the farmer and the merchant, and then there settles down a lull upon the land, broken only temporarily by the ploughings and sowings which follow on the June rains. The heat has brought exhaustion; the Governments are in the hills maturing projects for production in the cold weather; colleges and schools go into vacation in the rains; and travelling is a burden, so that no one goes readily to visit friends or to hold meetings and conferences. It is only when punkahs are taken down, and the dew is seen upon the grass in the mornings, and at evening the village smoke lies flat in a dusky line across an opal sky, that energies revive in India. The months from October to March are the great season of industrial, political

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and administrative activity. But there are always sleepless forces at work, and even from the monsoon recess it should be possible to extract some matters of interest for the rest of the Empire.

We have again been acutely reminded of our ultimate dependence on the forces of nature, by a belated and deficient monsoon. The showers from the South-West and the South-East that should converge on the peninsula in the later part of June were this year scant and intermittent. It was not till the third week in August that much of Northern and Western India received its rain. By that time all the crops sown in dry soil had withered, there was not a blade of grass in the land, and we appeared to be on the verge of acute fodder famine, if not worse. Fortunately, a heavy snowfall earlier in the hills had given the canals much water, and never was the value of irrigation to the lands lucky enough to enjoy it more clearly manifested. Fortunately, too, the rain came just in time to give grass for overworked and underfed cattle, and to enable cultivators to make fresh sowings for the autumn crop. More important still, it allowed them to plough betimes in preparation for the far more valuable spring harvest. Consequently, though the rapid-growing autumn millets, except in irrigated areas, will hardly have time to mature, yet the graver consequences have been averted. There are great stocks of grain in the country, prices ought not to rise abnormally high, and there is prospect of the loss being recouped to a large extent on an abnormal harvest of grain in the spring. The State may have to suspend or even to remit some lakhs of revenue, and the large manœuvres of troops round about Delhi have been wisely abandoned; but the crops and people have recuperated quickly, and not even the vernacular press thinks or talks of famine.

Political agitation, though relatively quiescent, has not entirely slumbered. Early in the year the country was startled by the murder of a Madras collector. The case against his assassin is still pending, but if the statements

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of approvers can be trusted there has been disclosed the existence of a widespread organization in the South, in touch with northern centres of disaffection, and marked by the same unwholesome features as were the Bengal murders, namely, the resort to the rites of Kali worship and the employment of hysterical youths on the desperate work from which their elders shrink.

Even Mr Ashe's murder, however, has caused less speculation and concern than the notorious Midnapur trial in Bengal. A district magistrate and two native police officers were sued by one of the persons arrested during the course of an investigation, and were required to answer before the High Court a charge of conspiracy to extort false evidence. The repute of officers in Mr Weston's position has usually stood so high that, so far as he was concerned, European opinion was slow to treat the imputations seriously. It regarded the suit as an impudent and foolish attempt to embarrass the executive by the use of that weapon of litigation of which the Bengali is a past master. But after a terribly protracted trial, which, as some think, did not enhance the reputation of the Calcutta High Court for efficiency or self-restraint, a finding was given against Mr Weston. It is true that this result was mitigated by remarks which went so far to exonerate the chief defendant as to make it difficult for non-legal minds to reconcile the judgment with them. But from an administrative point of view this only made matters worse, by imparting doubt where none should be possible. If an officer deliberately abuses his official powers he should be dismissed, not cast in damages; if his intentions are good, but his vigilance deficient, he should be dealt with faithfully by the Government which employs him. But if he neglected no human precautions, and was the victim, as every Englishman occasionally is, of sedulously elaborated lies, he should be exonerated and supported. It is unfortunate that the trial was prolonged till the closing of the Calcutta courts for the long autumn vacation. It was announced at once that an appeal

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would be preferred; but that the implied censure should stand so long unchallenged must be looked upon as a most untoward occurrence.

For the time being, the Bengals are still the storm-centre of India. Political dacoities continue in Eastern Bengal, and show that a reign of terror has been organized by some of the nationalists to overawe those who are lukewarm or hostile. In Bengal, Sir Edward Baker has retired suddenly from the Lieutenant-Governorship for private reasons which have won him great sympathy. If the results of his administration have hardly answered to the expectation formed of his courage and high purpose and radical sympathies, perhaps the blame does not lie chiefly with him. The more intractable spirits in Bengal were in no mood to welcome frank advances, or to respond to moderate concessions from a hand that was prepared to strike heavily when authority was defied. And it is generally conjectured that in undertaking the numerous trials for political conspiracy which ended with so little credit for the executive power, Sir Edward Baker's government was driven forward by one of the changing gusts of policy which used to descend like squalls upon provincial governors during the latter period of the last régime. If peremptory orders were really given from Simla, the onlooker would think that they cannot have taken account fully either of the uncertainties of police evidence or of the temper of the supreme tribunal in Bengal. For the present, however, the command is to go slow and steady. It is probable that the Bengalis will be very much on their best behaviour during the Royal visit, because the leaders are far too astute to have it otherwise. But there is no post in India at the present moment which demands such high qualities in its incumbent as the vacant Lieutenant-Governorship, no office on the worthy maintenance of which the prestige of our rule so much depends. The selection of a successor is to be deferred till after the Durbar. In this, his first act of prime administrative importance, Lord Hardinge has a striking chance to show that

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he can grasp a great occasion and judge wisely the character of men.

II. EDUCATION

AS regards domestic affairs, education has occupied attention almost to the exclusion of other things. It has been announced that the promoters of the scheme for a Mohammedan University have virtually won their battle. The Government of India have agreed that they shall be given a charter, provided that sufficient funds are forthcoming and subject to the settlement of certain details of the constitution affecting the control to be exercised by Government. It is probably only a question of time for both stipulations to be satisfied. The Mohammedan community, if not the country as a whole, are to be congratulated upon deserved success, and we may cordially hope with Lord MacDonnell that Aligarh

“ will become the Cordova of the East, and that in its cloisters Mohammedan genius will discover and, under the protection of the British Crown, work out, that social, religious, and political regeneration of which neither Stamboul nor Mecca afford a prospect.”

But if the Mohammedans have been first in the field, the Hindus are not far behind them. Two, if not three, schemes have been launched for the creation of a great Hindu University. Mrs Annie Besant, who has done practical work by founding the Central Hindu College in Benares, was the first to produce her scheme; but many prominent Hindus felt that it would be a political mistake to allow an instrument potentially so powerful as the national university to be controlled by the small Benares school of theosophists and visionaries. Therefore Pandit Madan Mohan Malaviya of Allahabad, who has been successively schoolmaster, editor, barrister, and member of the legislative council, has put forward a rival scheme, which appeals publicly to Hindu

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orthodoxy and *sotto voce* to the political leaders. The project will probably succeed; in fact, the Hindus have boasted that if the Mohammadens raise thirty-five lakhs for Aligarh they will double that sum. But division of forces meant weakness, and ostensible efforts were made to compose the competing schemes. A few months ago an agreement was announced, but evidently Mr Malaviya saw his own way clear, for he has subsequently repudiated Mrs Besant and the theosophists, and for the moment his adroit amalgam of education, orthodoxy and politics holds the field. It is difficult to extend to this movement the same spontaneous sympathy as to the Moslem scheme. Both are essentially political, in the sense that both aim at consolidation of political power by producing more educated fighters and by impressing on young men gathered into classes, under able and authoritative teachers, definite political theories and ideals. But while the Mohammedans genuinely sought a national revival, the Hindu university scheme in Mr Malaviya's hands is mainly a counter-move, a trick in the game of affairs, and especially a device for creating a focus of political influence in Northern India, probably at Allahabad or Benares, comparable to Poona or Calcutta.

It is certain that no Government will deny to the Hindus what it concedes to the Mohammedans. It is likely, therefore, that whatever principles are laid down for Aligarh will be applied in the near future at newer seats of learning. In the interests of education it is to be hoped that government control will be closely exercised, and that appointments to the staff and the maintenance of sound standards will be vigilantly watched. But because these are "national" universities, the claim will be made and seems likely to be conceded that they shall be placed directly under the Viceroy as Chancellor, and free from all provincial supervision. Unfortunately this is exactly the kind of work that the Government of India is ill constituted to do, and generally does badly when it attempts it. Its ex-

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periments in direct administration in the past have succeeded only in cases where decisive action in occasional crises is more important than continued and intelligent attention to detail. And what is to be feared in each seat of learning is a slow sacrifice in little things of efficiency to convenience, and of discipline to policy, that may end in the attrition of the genuine educationists, and the triumph of the wirepuller or the bigot. If that ever happens, the Government will have armed either political party with heavy guns against the other, and both against itself.

Meanwhile, at the other end of the scale, Mr Gokhale is pressing the claims of free, compulsory, universal, education. Possibly he believes so earnestly that intellectual enlightenment is the cure for most of the miseries and failures of Indian life that his ardour blinds him to the stubborn facts. He must know that the State has no purse of Fortunatus, but subsists on what it takes from its members; and that if the gigantic charges which universal education would entail are to be borne by it, an immediate increase in local or provincial taxation is inevitable. So much is recognized in Mr Gokhale's bill, which provides only for the exercise of compulsion in towns where the local board has voted decisively for its application, and for the raising of the rates involved. With so moderate a provision none need violently quarrel. But, seeing how backward private effort is at present in assisting the State even to grapple with the fringes of the problem of elementary schools, there seems small hope that many towns or cities will gird up their loins to a really heroic task, and therefore it is difficult to agree with the author when he invests his experimental permissive measure with the importance and sanctity of a vital principle. It seems that the Bill may pass with the benevolent wishes of Government, and remain in the statute book as the dead monument of premature ambitions.

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III. FOREIGN POLICY

INDIA'S foreign policy is generally dominated by affairs upon the Afghan frontier and in the middle East beyond. Persia has lately been the chief object of concern, on account of the working of our agreement with Russia, the prospects of an overland railway, the constitutional disorders, and the failure of the Royalist reaction. But for the moment eyes are drawn in other directions. Beyond the Brahmaputra, between Assam and Tibet and China, lies a debatable land, inhabited by the Mishmis on the east and the Abors on the west, owing allegiance to none. Two British officers were murdered in the spring by the Abors. They have given trouble with their raids before, and a punitive expedition, consisting of three Indian regiments, is now on its way through flooded jungle country to exact the price of blood. Little is known of the Abors, except that they are a sulky and factious tribe, filled with barbarian insolence and confident in the strength of their forest stockades. In spite of the unproven difficulties of transport, the actual fighting should be over soon. But the real interest of the movement is that it seems to prelude the demarcation of a stable frontier with China. China, though now racked with internal disturbances that absorb all her powers, has recently been busy extending her empire forcibly into and over Tibet, and though the line of intercourse from Szechuan to Lhasa lies far northward of our present frontiers, it is anticipated that Chinese outposts have already been pushed southward, and will be encountered in the search for the good natural boundary which must be established if we are to enforce order.

Perhaps one need not look very far ahead to forecast that, with the reform of Chinese administration and the extension of China's railway system, there will come the building of a line across the Irriwadi, Salween, and Mekon watersheds to connect the Yangtse valley with either Calcutta or Rangoon, and possibly enough North-East fron-

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tier questions may acquire the same standing importance that the affairs of the North-West frontier have long assumed. Then we may see the affairs of Bhutan, Sikkim and the new territories dealt with as a connected whole, as a political charge of the first importance, under the supreme Government. Meantime, it is hoped that one result of the expedition will be to lift the veil that hangs over the course of the majestic Tsanpo River in its descent from Tibet to the plains, and to determine whether the hypothetical cataract, which is to dwarf Niagara and the Victoria Falls, is anything more substantial than a dream of geographers.

The sudden outbreak of hostilities in Tripoli has of course aroused excitement among Indian Mohammedans. Attempts are being made to represent the war as an unprovoked assault by Christianity on Islam. Meetings have been held and resolutions passed. When religious feelings are keen and deep, interested persons will always be ready to make unscrupulous abuse of them. But it is unlikely that the fiction will have a long life. Even the uneducated Mohammedan realizes vaguely that the religious liberty which he enjoys under an alien rule implies that civilized humanity distinguishes clearly between religious and mundane affairs, and he can draw the inference that wars occur between states and not between religions. Besides, his reverence for the Caliphate does not mitigate his disgust with Turkish temporal power, after personal experience of its methods in his pilgrimages to the Hejaz. Nothing tends to reconcile the Indian Moslem to the drawbacks of heretic rule in his own country more than the iniquities tolerated in the holy places under God's Vicegerent. The educated Mohammedan, moreover, knows that the war in the Mediterranean was in no sense England's doing, and that, in spite of the Bosnia-Hervegozina incident, the new military government in Turkey has not shown so nice a regard for England's wishes as to justify them in expecting gratuitous intervention. No one can say that Indian Mohammedans may not be greatly moved if some tragic

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catastrophe befalls the Sultan's arms, but at the moment of writing the signs point to an early and undramatic conclusion of the struggle.

IV. THE NEW VICEROY AND DECENTRALIZATION

THE first year of Lord Hardinge's viceroyalty is drawing to its close without having been marked by any sensational measures of policy. The new Viceroy has been in no haste to assert his personality. Doubtless he was wisely determined to acquire knowledge before attempting to apply it, and one may suppose that he felt that the eve of the King Emperor's coming was an inappropriate time for his Viceroy to impress himself upon the imagination of the country. Such difficulties as Lord Hardinge has encountered were a legacy from the past, and not of his own making. There has been no violent breach with the policy initiated by Lords Minto and Morley. The text is still one of conciliation and forbearance, but the services are perhaps learning to place a meaning on these terms which shall not involve the abandonment of all effort at improvement that conflicts with vested interests. The new Government is known to value what may be termed the humanitarian aspects of administration. It is supposed to be more interested in education than in police, and in sanitation than in soldiers. It is pursuing a rigid policy of economy, forced upon it, presumably, by the shrinkage of the opium revenue and the need of money for its new schemes. Much has been made of the reduction of a few non-efficient units of the Indian Army, which perhaps could well be spared. A more sensational measure is the proposed abolition of some half-dozen heads of Imperial departments, mostly created in Lord Curzon's time. This massacre of innocents is to be perpetrated in the sacred name of decentralization. For some ten years there has been war in heaven about this question of centralized control. Lord Curzon held that the

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advance of India towards Western methods necessitated the creation of efficient technical departments, too small to be conducted on a provincial basis, whose administration must rest with the Government of India, and that it was the proper duty of the supreme Government to initiate large reforms, to conserve principles, and to enforce such uniformity as practical needs required. His critics, without demurring to propositions so well founded, replied that the consequences of carrying them into effect had been to belittle provincial authority, to impose directions unsuited to local authorities, and to produce an unseemly conflict of authority between provincial governors and the Imperial heads of departments. With the changes of policy which followed Lord Curzon's departure, such criticisms prevailed. Centralized control was looked on as an overgearing of the administrative machine, producing pace at the expense of friction. But, except indeed in the important sphere of finance, where much has been done to place stable revenues at the disposal of the provinces, the slackening has been spasmodic and intermittent. The close control which Lord Morley exercised, the creation of the new membership of council for education, the occasional excursions into details of police and magisterial work in Bengal, must gravely impair the decentralizer's claim consistently to have pursued a studied policy. But we have now reached a climax with this proposal to annihilate so many high offices. Most of them were wrung from an unenthusiastic Whitehall by eloquent reasoning, and announced with pride, only a very few years ago. There has been no demand from local governments for so many heads on chargers; the measure is an act of spontaneous repentance and vicarious atonement on the part of the Government of India. It remains to be seen whether the solicitude of ex-Viceroy may avert the doom, or whether the Secretary of State may not himself conclude that the zeal of the reformers is eating them up, and decide that after all an adviser to the Government of India in forestry or archæo-

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logical research cannot be a serious menace to provincial governors, and may even be a useful appenage to the government of 300 millions of people.

[In another sphere the same tendency to relax control may be discerned. It is believed that political officers in native states have been straitly charged to reduce their interference to a minimum, and even to suffer a generous measure of abuse and corruption rather than to antagonize the chiefs by paternal vigilance. This policy may be the outcome of the efforts which Lord Minto's administration made to turn to good account the notorious antipathy of ruling chiefs towards the nationalist movement. But manœuvres natural to the party politician will never succeed in India where conciliation is very commonly misunderstood as fear, and often has results exactly the opposite of those expected. To the surprise of many, the status of a ruling chief was lately conceded to the Maharajah of Benares. He had pleaded for it in vain on many occasions, and the verdict given after examination of the history of his family had hitherto been emphatically against him. The reasons which influenced the new decision can only be conjectured. It is unlikely that new matter was discovered. It is at least possible that it occurred to the Government that Benares, situated at the eastern extremity of the United Provinces, was a strategic point of prime importance. It has a large Bengali population, and it is the nexus of all the forces of Hinduism. It may have seemed a happy thought to secure the co-operation of the local noble in seeing that the temples and *dharamshalas* of the holy city were not made so many more foci of sedition, at a price so immaterial as the desired concession to his personal dignity. But Indian nobles are consumed with jealous passions; there are many other large zamindars who think themselves as good or better than the Benares Maharajah, and these will not be slow to advance similar claims. Nor would it be surprising if the demand were supplemented with a hint that its refusal might affect the well-known loyalty of their

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political opinions. The Government in India cannot rule by bargaining. It will always lose dignity in the process, and in the end the other person, being far more highly gifted for the purpose, will over-reach it. This fact imposes inevitable limitations on the policy of conciliation. Let the Government's decision be as considerate and generous as possible; let it make the widest concessions to prejudice or stupidity; let it be couched in the mildest and most courteous language; but unless it is to recoil upon its author, let it be unmistakably an order meant to be enforced, and not an offer inviting haggling.

It would, of course, be premature to conclude what kind of mark Lord Hardinge may leave on Indian history from the events of his first year. Any Viceroy is entitled to suspension of judgement during the period of his initiation, and in addition Lord Hardinge has carried a serious extra burden in the form of the preparations for the Durbar. However magnificent a spectacle is being made ready, the business of mere stage management protracted over nearly a twelve months must strike most men as tedious and poor employment, and one can imagine that the Viceroy looks forward to a period when ceremonial will claim fewer hours of his time and he will be free to pursue the objects that he has most at heart. It may be only then that the real Lord Hardinge will be disclosed to us.

V. BEFORE THE DURBAR

MEANWHILE native India is on tiptoe with suspense. It awaits the coming of its Monarch in the flesh with something of the fervour of Messianic expectation. Queen Victoria's proclamation after the mutiny, her personal interests in her Indian subjects, her kindly messages in times of trouble, and her employment of Indian servants invested her with almost divine reverence in the eyes of millions. King Edward succeeded easily to the regard in which his mother had been held. The elder genera-

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tion could recall his journey through India as Prince, and all men knew him as the Peace-maker, and accepted him confidently as the perfect embodiment of the tranquil and prosperous rule which is the East's political ideal.

King George, though it is only six years since he visited India, is much less known here. That he will be welcomed with immense enthusiasm is certain,* but it will be tinged with inquiry too. The imagination of the people is profoundly stirred by the knowledge that for the first time an English King is about to set foot on his Indian possessions. They feel that India can never be quite the same ordinary place again. Some blessing, some miracle, is expected, to show that the son is indeed his father's successor and to leave an abiding mark of his momentous coming. Every detail of the ceremony itself will be scrutinized by thousands, curious to draw from it some inference as to the Sovereign's personal temperament or taste. For instance, the abandonment of the elephant procession at Delhi has

*Here it is tempting to add a genuine specimen of the flood of astonishingly bad verse which will gush forth upon the land in December:

“When ruled over us Edward septième,
Garden of Eden was every clime;
What difference is if comes his child?
Why, is he not so good and mild?
Edward's foresightedness and theism,
His latitudinarianism,
His fervent zeal for doing good
Was a model of British manhood.
Soul sanctified soon passed away,
Leaving us in constant dismay,
But George, who comes now to the throne
Will wipe our tears and check our moan.
God, let our monarch goodness swallow,
Let him Victoria's footsteps follow,
Like hers, O God! increase his days,
And every moment guard his ways.”

But those who know the agonies with which verses of this sort are composed in an ill-learned foreign tongue, and the emotions with which they are offered for acceptance, should find them matter for more than only mirth. There is some criticism of the critics in such a performance.

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been rather a shock to many. But the instinctive disposition was to find some explanation which would commend itself to Indian minds. One learned maulavi wrote a long letter pointing out that because the mahout turns his back upon the rider it was customary in the past for Rajas to employ holy Brahmans and for Nawabs to employ holy Saiyids as their mahouts, but that elephant driving was little practised in Europe, and very probably the King-Emperor had found some difficulty in securing "a saintly bishop well versed in the art" to steer his imperial beast through Delhi streets.

Some of the suggestions which have been thrown out for the expected Royal concession are irrational enough. No Englishman can soberly imagine that Oudh will be restored to native rule; or that the permanent settlement which has lain as an incubus on Bengal will be extended to other provinces; or that the Press Act or the Arms Act will be repealed. Also it is in the last degree unlikely that an administrative measure like the partition of Bengal, which has been justifying itself more and more each year, will be capriciously upset. No doubt there will be a profuse distribution of titles and decorations, medals and medallions and certificates. Pardons will be granted, civil prisoners will be released, and the poor will be fed. The services will get whatever concessions in the way of improved pay or leave the departments have been able to contrive for them. But these are the ordinary concomitants of great occasions, and this time the people look for more. One may well sympathize with the departments which have been racking their brains to hit on some effective and practical idea. The abolition of the Excise duties would be very popular, but seems most unlikely. Small reduction of taxation may be possible, but not the abolition of the Income tax, or so general a reduction of the land revenue as would be needed to signalize the occasion. Free education, again, whatever its demerits as a practical measure, is capable of being represented as a truly royal gift, but, as I have said, it is impos-

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sible to think that without fresh supplies the exchequer could stand it. Or if His Imperial Majesty can announce the removal of some of the more sentimental grievances under which Indians in South Africa have laboured, the effect will be immediately happy. But in this case also there is the danger of odious comparisons being made between the little that is conceded and the much that was hoped for. If the Government of India have really any satisfactory surprise in store, they are greatly to be congratulated on their ingenuity.

The difficulty illustrates the complexity of India's administrative problem. It was a bold and striking idea that at a time when many Indians were in a stage of unsettlement and disquiet, the Sovereign should himself visit the dependency "to announce to his Indian subjects the solemn ceremony of his coronation." The decision makes an appeal to the loyalty of the Indian peoples which is easily understood and will be warmly acknowledged. It ought to call forth a wave of enthusiasm for the Crown, that should strike the weapons from the grasp of agitators and strengthen the hands of authority in India. But the experiment has its risks. If the Crown is the *ultima ratio*, it must be used effectively. In plain fact, the Royal speech at Delhi will have great consequences, and it is most important that nothing should be felt lacking in it. Better that the imperial largesse should be purely gauds and tinsel, than that much should be made of some prosaic and perhaps mutilated concession which will fall dead flat. True, apologists will be able to fall back on the doctrine of constitutional responsibility, and a mean wazir and not a generous monarch will be blamed for the disappointment. But what becomes of the Oriental conception of royalty which it was hoped to invoke, if the Shahan-Shah, Kaisar-i-Hind, is obviously only reading a speech drafted for him in the Finance Department? This dualism in Indian government is an abiding difficulty. The people desire free, arbitrary, edicts from a personal governor, and they get decisions which represent

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the exhausted spasms of individual opinion, as it struggles forth from a jungle of perfectly necessary codes and rules. There is no reconciling such contraries. It is only possible to mitigate and minimise their mischief by sympathy and the personal touch. We know that His Imperial Majesty has this happy faculty in the fullest measure.

India, October, 1911.

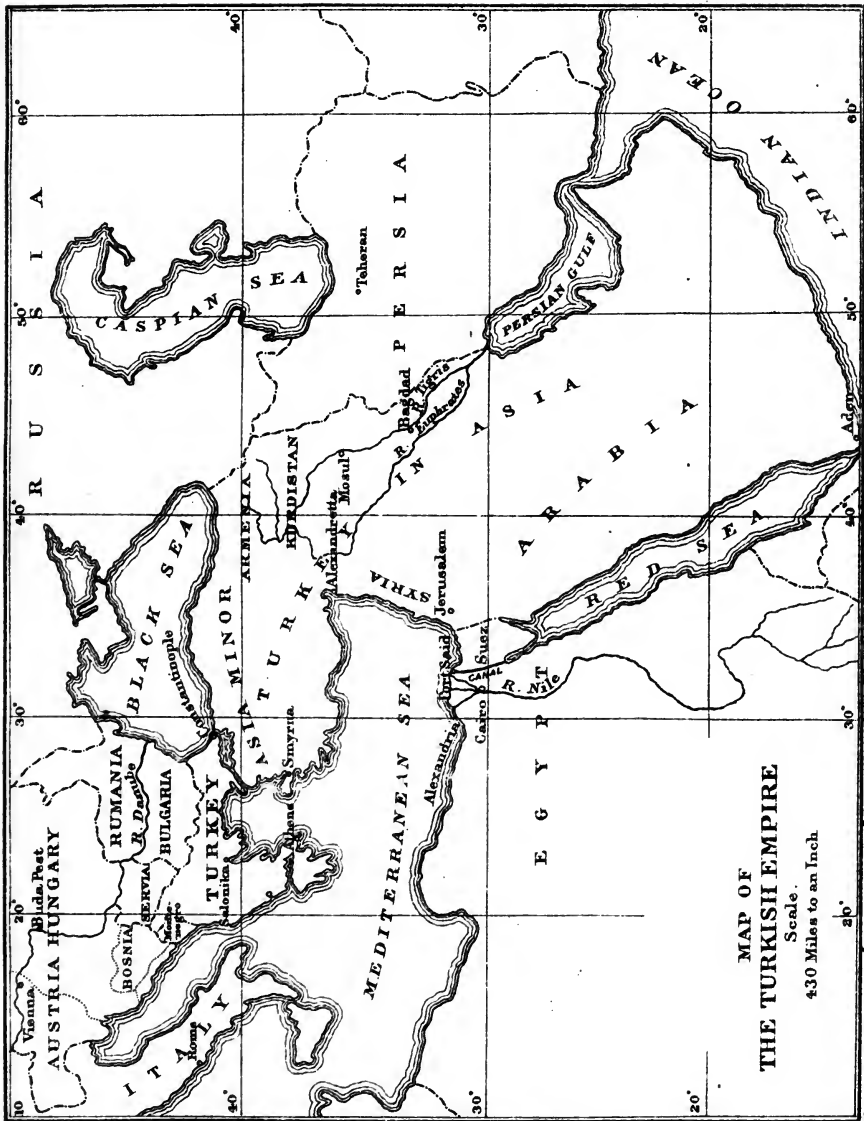


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MAP OF
THE BALKAN PENINSULA
 Scale
 192 Miles to an Inch.



MAP OF
THE TURKISH EMPIRE

Scale.
430 Miles to an Inch

SIFTON, PRAED & CO., THE MAP HOUSE, 67, ST. JAMES'S ST. S.W.



THE ROUND TABLE

A QUARTERLY REVIEW OF
THE POLITICS OF THE BRITISH EMPIRE

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NOTE

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THE BALKAN DANGER AND UNIVERSAL PEACE

I

IT is sometimes argued that war is out of date, that under modern conditions it cannot achieve the objects for which it is usually undertaken, and that only a relatively small change is needed in the political perspective of mankind for it to become as barbarous an anachronism as religious persecution or the duel. Such opinions are no novelty. They have been advanced and have attracted public attention at various times since the beginning of the eighteenth century. They were sincerely held by the Manchester School, and only one generation ago they were vigorously preached by Cobden and Bright. Recent events, and especially the acute crisis in the relations between Britain, France and Germany in August last, have revived interest in this thesis, and serious people are once more debating whether the solution of our dangerous and expensive international rivalries may not be found in the better understanding by mankind of a comparatively simple account of profit and loss.

Upon the other hand we are assured, with an equal confidence, that the great European Armageddon is due this spring, that Germany is bent on avenging her diplomatic defeat in Morocco, and that she will launch her legions against France and England so soon as the melting snows protect her rear, by rendering the Polish roads impassable to Russia. And even if Germany should hold her hand, the Balkans, we are told, will assuredly set a light to the train. There, too, the disappearance of the snows from the hills will let loose the dogs of war and the pent-up passions of Peoples who are hungering to dismember the Turkish Empire, weakened as it now is, and preoccupied by the Italian war. And if once the move is made, Austria immediately becomes involved: if Austria, then Russia and Italy: if these, England, France and Germany as well, because of their alliances or because their vital interests are engaged.

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Thus, according to this school of prophets, it does not seem possible to escape from a great war between the civilized powers.

Where does the truth lie? Are we moving towards war, or away from war? Are our swelling armaments—the dominant characteristic of our day—a herald of peace or the presage of another era of carnage, a return to that period of destruction to which mankind seems endlessly doomed in its Sisyphean efforts to reach universal civilization and peace? And is a European war really probable in the spring?

In looking for the answer it will be convenient first of all to examine the facts of the situation to-day, and then to apply to them the pacifist's analysis of the causes of war and the factors making for peace. We shall then be in a better position to judge of the probability of an immediate war, and of the prospects of abolishing it altogether—of diminishing its occurrence, or, at any rate, of limiting the expansion of armaments in the near future.

The present examination will be confined to the Near East.

There is no sort of likelihood that Germany, of her own initiative, will attack France or England during this spring by way of reprisals for her Morocco defeat. If she had meant war she would have made it in the autumn, when the temper of her people was up, and when her chances of success were as good as they are likely to be a few months hence. If there is to be a war with Germany it will be caused by some outside dispute, which, in the existing mood of the two peoples, pacific negotiation will find it impossible to compose. And now that the Morocco controversy is out of the way, the most probable origin of dispute is undoubtedly the Balkans. An examination of the situation in the Near East will, therefore, cover the most likely occasion of an Anglo-German war.

BALKAN DANGER

II

THE Near Eastern problem can only be understood with the assistance of a map (see plates). The active area of disturbance is the Balkan peninsula, which, for our purpose, may be taken to include Turkey in Europe, Bulgaria, Rumania, Servia, Montenegro, and Greece. The whole of this country is seamed with mountain ranges and hills. Servia, Bulgaria, and Rumania contain extensive plains, which are the centres of their national life, and there the majority of the population live as agriculturists. Turkey, Greece and Montenegro are almost wholly mountainous, and their population, who also live by agriculture, are scattered in the valleys. The existence of six small states within this relatively small space, each possessed of a considerable army, each desperately suspicious of its neighbours, and each fired by a natural ambition, is in itself a source of danger. But in this does not lie the chief occasion of war. In the Balkan peninsula, national patriotism, that is, allegiance to the State of which one is a citizen, comes second to racial patriotism. Its inhabitants are Serbs, or Bulgars, or Rumanians, or Turks, or Greeks, or Albanians long before they are citizens of the States in which they are domiciled. Even this might not produce war if each race were congregated in a separate State. But the State boundaries in no sense coincide with the racial boundaries. In Macedonia four chief races, the Serbs, the Bulgars, the Greeks, and the Turks, struggle for predominance. There are Rumanians in Bulgaria and most of the Serbs are not in Servia at all. There are Greeks in every province of the Levant. Each of these is loyal to his race rather than to his government, fights desperately for the maintenance of his language and his religion, and looks forward to the day when his people, by some miracle, will not only be united under one flag but will dominate the rest. Irredentism, so fatal to the relations of France and Germany, in the matter of Alsace-Lorraine, Austria-Hungary and Italy, rages

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unchecked throughout the length and breadth of the Balkan peninsula. It is, indeed, the mainspring of its political life.

This racialism is not a mere matter of blood. It is far more a matter of language—a much more vital source of discord than the indefinite tie of ancestry among a mixed people. Each race has its own language and with it an infant literature, struggling with difficulty into existence, but none the less the emblem of its hopes and aspirations as a separate people, which it would rather die than surrender. And, as if to make confusion worse confounded, religion emphasizes the racial quarrel where it is fiercest. The immense majority of the Bulgars, Serbs and Greeks are Christians, while the Turks and about two-thirds of the Albanians are Mohammedans.

It is in this conflict of totally irreconcilable racial, religious, and national ideals, that the danger of war in the Balkans resides. For the moment attention is chiefly concentrated upon the future of Turkey. For though the Christian States in the Balkans are jealous and suspicious of one another, they are all agreed in expecting to satisfy their immediate ambitions at the expense of Turkey—long a moribund empire and long their religious foe. The actual origin of war, therefore, may be expected to spring from one of two main causes. Racial passion may drive one of the aspiring Christian States to precipitate and provocative action. Internal misgovernment may produce chaos and rebellion in Turkey itself, which will lead to intervention from outside. Let us examine these possibilities in more detail.

The first is simple to understand. The Christian States will dismember Turkey if they think they can do so with comparative impunity. Servia wishes to recover the 400,000 members of her race who live in Northern Turkey. Bulgaria hopes to realize her vision of the Greater Bulgaria by annexing South-eastern Macedonia, which will give her direct access to the Mediterranean, will add more than a million Bulgars to the State, and will make her the most

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formidable power in near Eastern politics. The Greeks would like to be the political heirs of Turkey in Europe, and to this they have a slight historical claim; but as this is clearly impossible, their hopes are centred on Epirus, Crete, and the Ægean isles, which are almost entirely Greek in population. Rumania, while expecting nothing from Turkey, would require compensation from the Bulgarians if they extended their domains to the Mediterranean.

But the chief danger does not spring from possible initiative by one of these governments, which may well be appalled by the complexity of the forces they may set in motion by an act of war. It comes from the methods of political agitation in vogue in the Balkans. Speech-making and leader-writing are regarded as tame incitements to political enthusiasm, possibly because vocabularies and the resources of invective have long ago become alike exhausted and familiar. The favourite method of opening a political campaign is an outrage by one of the so-called "bands." These bands are handfuls of outlaws, chiefly to be found in the hills of Macedonia, who make it their business to redress the grievances of their own racial fellows, by violent and summary means. The chief victims are the Turks, who unquestionably tyrannize at times, but whose simplest administrative acts are held up to obloquy as unwarrantable oppression, justifying resistance by force. Membership of a band is a congenial occupation to the wilder spirits of a wild people. It dignifies brigandage with the name of patriotism. It excuses murder, outrage, and destruction. It evokes enthusiastic plaudits from sympathetic countrymen who live beyond the reach of exaction. It contributes to the decay of Turkey and, therefore, to the realization of racial ideals. It may even precipitate a war in which booty, as well as glory, may be won; and at the end of it all Europe is certain to step in to prevent the revenge of the victorious Turks. The recent incidents at Ishtib and Uskub, involving the loss of hundreds of lives in the original outrage and the subsequent reprisals, are excellent illustrations of the

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commonplaces of Balkan politics. As may be imagined they are not conducive to peace, or to the pursuit of a sane and unprovocative policy by governments resting upon the support of peoples who practise politics with such violence for themselves.

The second probable occasion of war is more difficult to understand, and involves some investigation of the recent events in Turkey. Turkey is the only true empire in Europe to-day. It corresponds far more to the empire of England in India than to a modern state like Germany. It does not differ very much in character—though greatly reduced in size—from the Turkey of 1453, when Constantinople fell. The Turks are still simply a governing race superimposed upon an earlier population. Until three years ago, their methods of government differed in no way from the methods of their ancestors. As is the wont of conquering nomad tribes, they simply lived upon their subjects, leaving them in peace so long as they did not question the predominance of their masters and paid the tribute with which that predominance was enforced. For the Turkish system of government aimed simply at maintaining the political supremacy of the Turks. It was not founded on the conception that it was the function of the authorities to educate and uplift the populace, to remedy their grievances, to build roads or encourage agriculture. Its purpose was rather to collect taxes, to destroy initiative and enterprise, lest it lead to revolt, and to settle disputes, not according to the principles of justice, but in favour of the stronger party, as being the one less likely to make difficulties about the decision. In Abdul Hamid's day the standing rule was *Let nothing be done unless it be authorized*, and any infraction, not in politics alone, but in commerce, literature or religion, meant banishment or death.

This system, ruthless, repressive, blighting to all progress though it was, lasted for more than four centuries. It did so for several reasons. In the first place the Turks were not only by nature a masterful and governing race, but they

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drew upon the Christians for the revenues and also for the army by which their rule was sustained. The janissary was the most effective instrument for maintaining the domination of an alien race that has yet been invented. In the second place their system numbed the vitality of the Christians. The tribute of the strongest and most vigorous of their children, taken for the corps of janissaries, deprived them of their natural leaders. In consequence, as Sir Charles Eliot says, the Slavs of the Balkans were "for three or four centuries a helpless, friendless, nameless peasantry, whose daily function was to supply taxes and plunder, and who were not allowed to hold the smallest office." The Levantine Greeks, already enfeebled in spirit, were further demoralized by the favours and the pay of their masters, into applying their ability and industry to such of the tasks of administration as the slow-thinking Turk could not discharge for himself. In the third place the rule of the Turk, though an absolute bar to progress, and marked by occasional outbursts of atrocious ferocity, was not such as to goad people into effective revolt. Enterprise and open discontent were the unpardonable crimes, punishable with a fury which made no distinction between the guilty and the innocent. But provided taxes were paid and the people were quiet, the Turk left his subjects alone. He left the Christians their religion, their language, and, within limits, their property and freedom. He left them very largely to govern themselves. He was no apostle of progress and civilization. His ideal was rather a peaceful and undisturbed existence as the master of his country and the aristocrat among its peoples. And, in a way, he was not unpopular. For he was a great gentleman, was the old-fashioned Turk—dignified, courteous, brave, and with a strong sense of that *noblesse oblige* which is the secret strength of all aristocracies.

But early in the nineteenth century things began to change. On the one hand the janissary system, the pillar of the Turkish dominion, had disappeared. In 1676 the

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exaction of the forced tribute of Christian children was discontinued and in 1826, the corps was finally abolished by the simple, but effective, process of extermination. On the other hand the ideas of the French revolution gradually spread among the Christians of the Balkans. Individual liberty, the right of nationalities to self-government, the virtues of constitutional government, became the battle cries of peoples who, for centuries, had thought of nothing but how to escape the suspicion of the Turk. Education too, began to make way and newspapers to recount to their readers the glories of their past history, how badly off they were compared with other races, and how independence would bring liberty, prosperity, and relief from oppression. The Turks meanwhile did not change. The inertia which they encouraged in their subjects, they cultivated among themselves. Islam is a changeless faith. In its fatalism, in its belief in the all-sufficient wisdom of the Koran, in the contempt it pours upon the infidel and all his ways, it barred the entry of advancing civilization to Moslem minds. As yet it has shown no elasticity, no power of adapting itself to changing conditions; and so long as the Turk was an orthodox Mohammedan he looked on at the ferment about him with unseeing eyes. Yet his system of government, adequate to control the nerveless Levantine, or the semi-civilized Slav, was powerless to meet the needs of the Christian peoples, re-awakened to Western ideas. These peoples began to grow restive, and to demand what they called by a new-fangled name, their rights, and to question in many ways the old-time dominion of their lords and masters. The Turk had only one method of dealing with this kind of thing—one which he had invariably practised with success, and which he put in operation now. But, unfortunately for him, Europe in the meanwhile had discovered a conscience, and every attempt to deal with rebellion or sedition by wholesale and indiscriminate massacre, led to the intervention of the Powers. The Turk failed to learn by experience, and the methods which had built up and preserved his empire

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in earlier days, now tended to destroy it. Greece revolted in 1824, and her independence was guaranteed by the Powers in 1830. In the same year Servia gained recognition as a separate and practically autonomous principality within the Turkish Empire. In 1876 the Russo-Turkish war began, arising out of the Bulgarian atrocities, and led eventually to declarations of independence by Servia, Bulgaria, Rumania, and Montenegro, which were afterwards recognized by Europe in the Treaty of Berlin (1878). That treaty also entrusted to Austria the administration of Bosnia and Herzegovina, though these territories nominally remained part of the Ottoman dominions. In 1882 Egypt was occupied by the British, and in 1886 Eastern Rumelia was added to Bulgaria, though still continuing technically to form part of Turkish territory. In 1908, Austria, by annexing Bosnia and Herzegovina, and Bulgaria by annexing Rumelia, legalized their *de facto* sovereignty. Less than six months ago Tripoli was invaded by Italy.

The Balkan problem to-day centres on whether this steady process will continue until Turkey has vanished from Europe. For a century Turkey has been a moribund power. Will she remain as she was; or does the promulgation of the constitution, the *coup d'état* of the Committee of Union and Progress, and the establishment of a Parliamentary system of government, mean that the Turks are really going to change at last and attempt to construct a modern civilized state which can hold its own in the world? And if so, is it possible for an Oriental country, peopled by many races, of various tongues and religions, to exchange the supremacy of a military caste for a constitutional system of government, which will satisfy the aspirations of the multitude of small and bitterly hostile groups, of which it is composed? On the answer to this question do the prospects of peace in the Balkans chiefly depend. For the further dismemberment of Turkey almost inevitably means war.

In forming a judgement we must look at Turkey as a

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whole, though it is European and not Asiatic Turkey which is likely to be the cause of international complications. The first point to remember is that the Turks are not, and never have been, more than a minority among the peoples they rule. To-day they form hardly more than a quarter of the population in their European domains, hardly more than a third of that in their Asiatic Empire. Their total numbers probably do not exceed eight out of about twenty-five millions, though no trustworthy figures are available. The rule of the Turks, therefore, does not rest, and it never has rested, entirely on their own numbers and military prowess. It has always been rooted most firmly in the Mohammedan religion. The Sultan is the Caliph of all true followers of the Prophet—their leader on earth in the long struggle against the infidel. Consequently upon all questions on which they can appeal to religious sentiment the Turks have been able to count on the support—not always enthusiastic it is true—of a majority of their subjects. For the Arabs, the Kurds, and two-thirds of the Albanians are Mohammedans, and there are Mohammedans also to be found among the Bulgars and Serbs, though not in large numbers. About one half of the people of European Turkey and nearly four-fifths of the people of Asiatic Turkey are Mohammedans. And in accordance with these facts the Turkish army has always been exclusively Mohammedan in religion.

But the organization of the state on the basis of the political autocracy of a racial minority, backed by an army entirely composed of the adherents of a single and extremely fanatical religion, carries with it a great weakness. For the Christians are, in consequence, not only discontented with but actively disloyal to the state in which they live. The Serb, the Bulgar, and the Greek, so far as they have any positive political ambitions at all, are eager, not for the maintenance but for the destruction of the Turkish Empire, and for the distribution of its domains among the races to which they belong.

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And the Christians, though in a minority in the whole Empire, are a majority in Turkey in Europe, and are incomparably the most intelligent and the most energetic, if the least military, of its peoples. Moreover, their separatist ambitions have received an immense impetus during the nineteenth century, when Greece, Servia and Bulgaria in turn have won recognition as independent states, and have become the natural foci of racial aspirations, and the centres of racial propaganda throughout the whole peninsula.

How is a stable government to be maintained in a country situated like this? A military despotism would seem to be the only method—the method, indeed, which though cruelly and ruthlessly applied, actually succeeded for more than 400 years. But in the nineteenth century, as we have seen, it began to fail to keep the empire together, and in the twentieth century it was overturned by the Young Turks themselves. What was their programme? How did they expect to restore vitality to their State?

The original idea of the Young Turks, so far as it can be disentangled from the medley of forces which produced the revolution, was to save Turkey by modernizing it at a single stroke. They intended to introduce, holus-bolus, the free, equal, democratic, constitutional system of the West—to give equality to all languages and religions, personal liberty to all individuals, and political rights to all races. But the ideal broke down at the first contact with the facts. It broke down on one side because the Young Turks found themselves unable even to attempt to carry it out. How can you give electoral equality if, as a result, a majority of the representatives of European Turkey are likely to be returned with a mandate for the dismemberment of the Empire in the favour of other States? And how by fair means are you even going to maintain a majority of patriots, when the overwhelming mass of your own supporters are totally illiterate yokels, or nomad desert tribes, while the disaffected comprise all the best educated, most intelligent, and most progressive elements in the

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population? The pretence of fair election and a free Parliament vanished at the first attempt. It was inconsistent with the continuance of Turkey as an independent State. Again, how was equality to be applied to the army? Was it to be half Christian and half Mohammedan? If so, how was discipline to be preserved? Would not the Christian levies fight their Moslem confrères rather than fire on their Christian enemies? Might they not prove the agency for establishing a Christian supremacy? In consequence the army—the mainstay of Turkish military dominion—is still practically entirely Mohammedan as of yore, the Christians buying exemption from military service by paying fees.

On the other hand the Young Turk ideals were rejected by the Christians themselves. The Young Turk gave, as he promised, equal rights to all languages in the schools and elsewhere, but went on to point out that if Turkey was to be a state at all, it must have a common language, one *lingua franca*, which would be universally understood on platforms, in Parliament, in the work of administration, and in the Courts. It could not have ten official languages, and if there was to be one common medium, that, as was natural, was to be Turkish. Turkish, in fact, was to be compulsory in every school—a not unreasonable proposal if properly enforced. At once the heavens rang with protests about the merciless persecution of the helpless Christians. Bands sprang up to resist. Europe was called upon to interfere lest the Greek, the Serb, the Bulgar, by being taught to understand the language of his fellow citizens, should lose his racial identity, and his prospects of being re-united to the enemies of the state in which he lived,

This fundamental difficulty, the hopelessly divergent ideals of Christians and Mohammedans, is at the bottom of every problem of Turkish politics, and it is the reason why, despite names and labels, the system of government in Turkey is still, at bottom, in fact and in aim, government by the Turks and their Mohammedan allies supported by military force. For it does not seem possible, at present,

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for the Turkish State to be kept from disruption in any other way. Real equality for all races and languages would produce such chaos in the national councils that any and every government would be powerless.

Yet how is this terrible internal weakness to be overcome, for if it continues much longer it will inevitably destroy Turkey in Europe? There is only one way. Within measurable time those who control the situation must introduce so pure a justice, so efficient, yet impartial, a police, such economic stability and progress, so efficient an administration, that the inhabitants of Turkey, whatsoever their race and creed, will prefer to acquiesce in the existing order than to rebel or disturb a system, which, however unpopular, does give safety to hearth and home, and security that the product of honest effort will be husbanded and not snatched away. Good government may reconcile the races to the continuance of the Turkish State. Racial propaganda thriving on the misdeeds and omissions of the government are bound to disrupt it.

What chance is there of the existing government being able to effect so great a transformation? It must be confessed that the prospects are not bright.

First of all grave suspicion attaches to some of the protagonists of reform. The majority of the present leaders of the Committee of Union and Progress are hardworking, honourable men—shortsighted, narrow, perhaps in many cases intolerant, but, on the whole, sound in their intentions. They have given the people of Turkey a personal liberty such as they have never known. They have introduced order and precision into their national finances. They have made possible, and actively encourage that economic development which is the essential prelude to domestic peace. They have done something to check corruption, partly by stricter supervision, partly by raising the salaries of officials who, under the old regime, could live only by extorting backsheesh from the public. But they are not the masters of the situation. The real centre of gravity lies

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with the younger officers of the army, and these, though decent fellows, are ignorant, prejudiced and easily swayed by intrigue or religious passion. They are not the people to regenerate Turkey. Yet no government can ignore their wishes when once they are expressed. Moreover, many of the Committee party are mainly bent on personal profit. And these venal creatures, just because they are part of the majority which controls the machinery of the constitution, do much to impede reform, and to tie the hands of the government of the day by furious and unscrupulous opposition, prompted by the selfish desire for place and power.

This is all the more disastrous because the country is still prostrate under the legacy of Abdul Hamid's regime. For not only was there no security for life and property under this regime, no system of justice which could pretend to be prompt or pure, no administration which even thought of bettering the condition of the country—not only was the country drained of its wealth, at the same time that every vivifying enterprise was thwarted behind the scenes; but every man of ability or energy, who dared to show his gifts, was instantly removed. Probably never in the history of the world has there been so vast and infamous a system of depriving a country of its natural leaders. As a consequence there are no men of experience in Turkey to-day, save a few greybeards whom Abdul Hamid used. The leaders of modern Turkey are either dotards, or men under forty, devoid of all training and experience in public affairs. For the same reason there is no efficient civil service to steady the counsels of politicians and parties with its knowledge and traditions. The trained official of mature years, so vital to the work of reform, does not exist. He has either disappeared or his faculties have languished for want of use. And a narrow and shortsighted pride debars the employment of foreign experts in posts of influence and power—the only short road to sure reform. On the other hand such traditions as the civil service does contain are traditions of shameless corruption and endless personal intrigue. And this does not

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merely mean inefficient methods (which are characteristic of almost all Oriental governments, and which are, for instance, conspicuous in the Turkish estimate of the international situation) but it means that half the charges brought against the Turkish Government are true. Just because the agents which the Government has to employ are new and inexperienced, or are the nominees of some wirepuller who cannot be ignored, or because they were trained in the Hamidian regime, peculation, injustice, the alternate oppression and weakness which come from timidity, are still rife in Constantinople and still more in the provinces. Certainly things are better. They are, perhaps, still improving. But there is not a marked change from the old days, and there is no certainty that the improvement will last. The story of government misdeeds in Macedonia, in Albania, in Armenia, keeps alive the fires of racial discontent and hardens the hearts of would-be well-wishers throughout the world.

Again, have we not all heard of the appalling difficulties arising out of the Capitulations which the British only just succeeded in overcoming in Egypt. It is true that the rights of foreign nations in Turkey are not so extensive as they are in Egypt. But for a foreign governing race, backed by an army which relieves them of all fear of successful revolt, free from all those local and personal influences which pervert even the best Western governments at home, and commanding the services of an endless supply of administrators trained in the methods and principles of good government, it is immeasurably easier to steer its way through the pitfalls of the Egyptian Capitulations, than for the struggling party of reform in Turkey. Foreigners in Turkey are liable to no direct taxes. Sentence can be passed upon them, or execution levied upon their effects only if their consuls approve. Their domiciles are sacrosanct. In Constantinople they do not even pay the water rate, the gas rate, or the police rate, which cover the cost of lighting and protecting the streets they use. Turkey cannot

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even increase the revenue it draws from the customs without the consent of the foreign Powers. Yet so long as it is governed as it is, the Capitulations cannot be abolished. Without them there would be no guarantee of safety or justice for the subjects of foreign powers. Thus, with a perverse irony, reform, to which these guarantees are an undoubted obstacle, must precede their disappearance.

Finally, the government is losing the support of the Mohammedans. The revolution was organized in Constantinople and Salonica, the former the home of Turks who have become Levantines, the latter the headquarters of the Mohammedanized Jews from Spain—the only people the Young Turk would trust to help him in his reforms. The conduct of affairs is still largely in the hands of these people, though the Jewish influence has somewhat declined. Few of them are orthodox Mohammedans. Educated in Paris, ardent disciples of Western philosophies and Western ways, they have been forced to abandon wholesale the old belief in the verbal truth of the Koran. Despite attempts to keep up appearances, this fact is well known, and the ardent Moslem grieves in his heart. Not only has the Caliph been deposed, but the reins of power have fallen into the hands of unbelievers. It will, therefore, as years go by, become steadily more difficult for the party of reform to appeal to Islamic feeling. As it is, despite a temporary cohesion under the attack on Tripoli by a Christian power, the government has set the Mohammedan sections of the community—on which, in the last resort, its strength depends—against it. The Albanians—hardly true Mohammedans, but rather Bektashi sectaries, the old-time outpost against Europe—have been embittered by the attempts to disarm them, to interfere with their language, and to establish an effective government control. There has been fighting with the Arabs of the Yemen for many months, and the terms of peace are such as to concede their virtual independence. And now the Kurds are said to be restless and anxious for concessions in the direction of autonomy.

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Truly, never have reformers been set such a task. It seems impossible that they should succeed in rebuilding the Turkish Empire, even within its present boundaries. And when one sees the insane personal jealousies, the bitter opposition which paralyses the government though the country is at war, the appalling ignorance and recklessness of press and people, and the failure of the real leaders to occupy the seats of power openly, the end does not seem a great way off. Not that we may expect a sudden collapse to-day or to-morrow. Old constitutions, like old buildings, have a marvellous vitality, and, the disruption of Turkey is likely to be a slow process. But though time may stay its hand for a while, the ultimate disappearance of Turkey from Europe seems inevitable. Neither military prowess nor the discipline of an iron creed can stay the march of new ideas. And in the last resort the Turks stand for reaction and the Christians for progress. The Turks are slow-witted, they have no civilization of their own, they are enslaved by fatalism, by Kismet—the very negation of forethought or sustained constructive effort. And, now that their strength has gone, they have nothing to offer to their subject peoples—neither good government, nor religion, nor a great language, nor a noble tradition—which might induce them to combine in rebuilding the Turkish State. Sir Charles Eliot has said of them :

“ Their history is almost exclusively a catalogue of names and battles. Their contributions to the art, literature, science, and religion of the world, are practically nil. Their destiny has not been to instruct, to charm, to improve, hardly even to govern, but simply to conquer.”

And just in so far as the Turks imbibe the ideas of the West they will lose those fierce qualities and intolerant ideals on which their empire has rested hitherto. Liberty of conscience, freedom of speech, equal political rights, responsible government, are inconsistent with the dominion of the Turk,

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or the permanence of Islam. If these aspirations prevail Turkey will become a Christian State. Such is the cruel dilemma which confronts the would-be restorers of Turkey's greatness.

III

IT would seem, therefore, as if the croakers must be right, and that the melting of the Balkan snows must usher in the final struggle for the partition of Turkey in Europe. But we are not yet at the end of the tale of complications which make up the politics of the Near East. Before we can estimate the probabilities we must take into account the attitude of the Great Powers.

The Power most interested in the Balkan question is Austria-Hungary. She is interested not so much because her territories march with Montenegro, Turkey, Serbia and Rumania, as because her politics are inextricably bound up with the racial problems of the peninsula. Bulgaria and Greece are the recognized centres and headquarters of Bulgarian and Greek racial propaganda. Serbia, however, is not the only centre of Serb propaganda, though some Chauvinists of Belgrade would have it so. The great majority of the Serbo-Croat race—the Southern Slavs, as they are called—reside within the Austro-Hungarian Monarchy. They number about six millions, as against two and a half millions in Serbia, four hundred thousand in Turkey and three hundred thousand in Montenegro. Even of the pure Serbs little more than half live in Serbia and Turkey, the rest having their homes to the west and north. The realization, therefore, of the Southern Slav ideal—even in its narrower Serb form—vitaly affects Austria-Hungary, for the Southern Slavs can be united in one political system only in one of two ways—by union with the Monarchy, which means the extension of its domains to include Serbia, Montenegro and the northern parts of Turkey; or by union outside it, which means depriving the Monarchy of its southern territories.

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But the Balkan problem affects not only the territory but also the internal politics of Austria-Hungary. What has been said about racialism as the governing factor in Balkan politics, is scarcely less true of Austro-Hungarian politics. It is not very far from the truth to say that the inhabitants of that distracted kingdom think more about the triumph of their own racial aspirations than about the good name or progress of the Monarchy as a whole. The bitter rivalry between Austria and Hungary has long been a byword. And that is but a fraction of the difficulty. The following tables, showing the variety of races (on the basis of language) in Austria and Hungary, speak for themselves :

Austria.

Census 1900.

Total population (1910) : 28,567,000.

Germans	9,171,614
Bohemians and Slovaks	5,955,397
Poles	4,252,483
Ruthenes	3,381,570
Slovenes	1,192,780
Italians	727,102
Serbs and Croats	711,380
Rumanians	230,963

Hungary.

Census 1900.

Total population (1910) : 20,850,000.

Magyars	8,742,301
Rumanians	2,799,479
Germans	2,135,181
Slovaks	2,019,641
Croats	1,678,569
Servians	1,052,180
Ruthenes	429,447

When one remembers that each of these races speaks a different language, and is represented in Parliament by a

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separate group which votes and bargains almost entirely in its own interest, and that there is no assembly at all which represents the people of Austria-Hungary as a whole, we begin to realize the difficulties of government in a racialism-ridden State.

In this endless struggle of conflicting groups the Southern Slavs are a very important factor, partly because they long for union with their fellows outside the Monarchy, and partly because they struggle against a grievance which can be removed only at the price of destroying the existing regime and opening a Balkan crisis of the most acute kind. For not only are the Southern Slavs distributed between Austria-Hungary, Servia, Montenegro and Turkey, but in Austria-Hungary itself they are under three different systems of government. Three and a quarter millions of them (1911) are in Hungary and send their representatives to the Hungarian Parliament. Eight hundred thousand are in Austria and are represented in the Austrian Legislature. Two millions are in Bosnia-Herzegovina, a dependent territory governed by the King-Emperor in the joint name of Austria and Hungary, and these are represented in no central legislature at all.

This means that not only have the 9,000,000 Southern Slavs of the Balkans no opportunity of acting together, but that even the 6,000,000 within the Monarchy have no means of making their collective influence felt in Austro-Hungarian policy. And this is all the more resented inasmuch as both in Hungary and Bosnia-Herzegovina, and to a less extent in Austria, they are repressed in most of the ways known to a government which observes only the forms of constitutional usage which guides its course partly in the interests of the Magyar aristocracy, and partly in order to thwart and stultify the Southern Slav propaganda.

Thus the Southern Slavs are inextricably bound up on one side with the politics of the Balkans, and on the other with the internal politics of the Monarchy. Any alteration in the *status quo* in the Balkans is bound to involve Austria-Hun-

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gary, because it is likely to affect its territories and to precipitate an internal revolution. For the present onerous position of the Southern Slavs is maintained and perpetuated by the present dual constitution of the Monarchy. As this constitution thwarts all Southern Slav aspirations, and exercises a decisive influence on foreign policy, it is necessary briefly to describe its character.

The present Dual constitution came into force in 1867 after the defeat of Austria by Hungary in 1866. It was the outcome of negotiations between Austria and the Magyar aristocracy which controlled Hungary. Its purpose—forced upon Austria by Hungary—was to ensure to each the maximum of independence compatible with a union which would provide for the common defence and prevent internal war, and at the same time to perpetuate the predominance of the Magyar aristocracy over all other races within Hungarian territory. In consequence Austria-Hungary presents the unusual spectacle of a country extremely democratic in the bottom stories of its government, and absolutely autocratic in the top stories. As in the British Empire, experience has proved that the only method of getting a working agreement between racial groups is to confront them in a popular and freely elected assembly, and compel them to fight out their quarrels by argument and persuasion within, instead of by force and fraud without. There is, therefore, throughout the monarchy a very admirable and well-developed system of provincial assemblies, empowered to deal with local affairs. As we get nearer the top, however, the democratic element grows smaller and less effective. The Austrian Legislature is democratic enough in form, though, inasmuch as its action is limited in numberless ways by the Austro-Hungarian constitution, it can scarcely be said to be democratic in fact. The Hungarian Legislature is practically the monopoly of the Magyar aristocracy, and is one of the narrowest, most short-sighted and intransigent bodies in the world. Above this level democracy vanishes altogether. For Hungary would agree to a union of the crowns and nothing

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more. In consequence, the King-Emperor is the practical master of the foreign policy, and of the defensive arrangements of the state over which he presides. He appoints what ministers he likes and dismisses them when he likes. The only control the people can exercise is through the so-called Delegations—a contrivance of racial suspicion which is powerless for anything but evil. They consist of two bodies of sixty persons elected by the Austrian and Hungarian legislatures from among their own members (forty for the lower and twenty for the upper houses in each case) to listen to an annual statement of policy by the Imperial ministers and to pass the Budget. But the delegations do not sit together, lest such a proceeding should tend to diminish the hatreds which divide Austria and Hungary, and so undermine the dual constitution. They discuss the ministers' statements separately, and if, after having exchanged views in writing, they cannot agree, they meet and vote in silence—a mockery of Parliamentary government which has never yet been enacted. For it is really a farce, since in practice it is not the delegations which decide but the Parliaments which they represent. Unless the Budget or alterations in the Customs duties, are voted again by the Parliament, they fall to the ground. Each legislature, therefore, has the power of veto. And this means, paradoxically enough, that, if the union is to last at all, the Parliaments must accept the proposals of the Emperor and his ministers, so long as they are moderately reasonable, because they can agree on nothing else.

It may well be asked why such a system works for a single day. The answer is clear. If the monarchy were not there the country would instantly become a shambles of racial war. The races can agree upon nothing except to uphold the ancient and illustrious monarchy, which is the one impartial authority in the country, and which is the sole guarantee of peace, of good government, and of the approximation to liberty which they now enjoy. The Austrian system, indeed, is not unlike the support of a gipsy's kettle, which is composed of a number of separate sticks kept by a

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ring round the top. The sticks are the races, the ring the monarchy. So long as the ring is there the kettle has a support, and within limits can be moved freely from side to side. But remove the ring and both the sticks and the kettle will inevitably fall into the fire.

We are now in a position to understand something about Austro-Hungarian policy. It is mainly determined by the Emperor and his ministers, and its guiding principle is to do nothing to disturb the delicate system of checks and balances in Austria-Hungary and in the Balkans, on which the edifice of the Monarchy and the present peace of the country depend. For if once revision is begun, no one can tell where it will end. That is why Bosnia-Herzegovina is treated as a dependency belonging both to Austria and to Hungary, yet controlled by neither; and that is why every effort is made to damp down the movement for Southern Slav unity, because its success must not only involve the Monarchy in foreign complications, but put an end to the existing dual regime by destroying the Magyar predominance in Hungary. And that is why it may be taken as axiomatic that the Emperor will not foment a crisis in the Balkans until a choice is forced upon him by internal or external events. Whether his action will then be decisive or halting will depend on the man at the head of affairs. One thing alone is certain—when the Monarchy has to act it will act in the direction of incorporating the rest of the Southern Slavs within its boundaries, because it will not countenance a partition of its domains without a fight.

But Austria-Hungary has other elements to consider. She has two external enemies of long standing—Russia and Italy. Historically Russia is interested in the Southern Slav problem. In practice to-day she is not. The Pan-Slav idea is waning, and in any case is impracticable in the case of a people separated from Russia by Hungary and Rumania. But, while Russia has probably abandoned the idea of any extensive annexation of territory in the Balkan peninsula, she does not wish to see her rival become the predominant

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Balkan power. Still less does she wish to see her emerge as a rival Slav State, as she would in a great measure become if the Southern Slavs were incorporated within the Monarchy. Russia is also vitally interested in the control of the Bosphorus and the Dardanelles. For a whole century she has aimed at the conquest of Constantinople, and for a whole century she has been thrust back, not by Turkey, but by England and France. Under treaty her battleships are not allowed to pass from the Black Sea to the Mediterranean. One of the first objects of her policy is release from this injunction. On the first outbreak of trouble, therefore, the two traditional rivals are bound to intervene—Russia because she must have a voice in settling who is to control the channel between the Mediterranean and the Black Sea—Austria because of the Southern Slavs. The long history of the struggle between these two great powers for predominance in this unsettled region will not help them to an agreement.

On the other side, Austria has to consider Italy. *Italia irredenta*—the districts about Trent and Trieste, which are inhabited by Italians, and which passionately desire reunion with Italy—is not the only difficulty. A glance at the map will show that by controlling the passage of the Straits of Otranto, a superior Italian fleet is able to confine the Austro-Hungarian navy to the Adriatic, and then attack it at leisure. Moreover, Italy would not welcome the strengthening of her rival by the incorporation of the Southern Slavs, and still less the incorporation of Albania, which would bring with it fine harbours to the south and so the command of the Adriatic. Italy, indeed, is said to covet Albania for herself, just as Austria is said to covet Salonica, in order to have a port opening direct on to the Mediterranean. Both projects belong to the realm of visionary aspirations, hopelessly impracticable at the present time. But the fact remains true that there is a jealous rivalry in the Adriatic between the two allies, a rivalry which irredentism in the north does much to inflame.

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And because these great powers are involved, Germany, France and Great Britain must needs join in too. They must intervene if once the *status quo* is altered, not only because they were parties to the Congress of Berlin in 1878, which made the last general settlement of Balkan affairs, but because, for one reason or another, they cannot stand out. France and Germany have economic interests which they must safeguard, and they are bound by solemn alliance to one or other of the principals. Great Britain is free from written obligations, but she also has economic interests at stake. Moreover, the Sultan is Caliph of the Mussulman world, and a potent factor in Indian and Egyptian affairs. Egypt is technically part of the Ottoman dominions, and pays to Turkey a tribute of £665,000 a year. The Turkish Empire, too, runs down to the Persian Gulf, and its dismemberment is bound to affect, in greater or less degree, the problem of the defence of India, and the safety of the Mediterranean and Suez Canal route to Australasia and the Far East.

We have now a conception of the Balkan problem. The patient reader who has struggled thus far may well complain that it all seems very confused, and that it is exceeding difficult to understand what is likely to happen, or why indeed anything should not happen. He may console himself with the reflection that the situation is even more confused than it appears; for in order to introduce any sort of method into the description it has been necessary to ignore all minor qualifications of general statements—qualifications, any one of which may prove decisive at some particular moment. The reader in his general conclusion, as a matter of fact, is merely expressing the first warning given by every expert to the reckless and confident inquirer after truth. This answer invariably is *anything may happen*. The standing advice to diplomats in these regions is as follows:

“When you wish to know what so and so (monarch or statesman) is going to do, first decide what it is his interest to do—then consider what he ought to do—

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finally make up your mind what you think he will do. Then you have progressed some way to a conclusion; you have at least some certainty; you may be sure that he will do none of these things."

These accordingly are more probably wrong than right who draw the natural inference from the foregoing pages that if war does not take place in the spring it will be a miracle—a miracle which by no possibility can ever be repeated in any subsequent year—and that when the inevitable struggle does begin it will be an Armageddon in which all the powers of the world will be at one another's throats. For there are certain great factors working for peace.

The first may, very roughly, be described as the psychological factor. Initiative is always an effort to mankind, and nations, like individuals, seldom embark upon great enterprises without some external stimulus. We all dream of great deeds, and of heroic acts, which will mark indelibly the tablets of history, but how few among us translate our aspirations into the steady, sustained action by which alone they can be realized. And, though passions run high and men act quickly and on impulse in the Balkans, inertia plays its part there as elsewhere. There is much talk of war, but when the time for action comes, the disadvantages of leaving hearth and home, of risking life and property, of enduring hardship and suffering, to fight for a cause which, after all, is not certain of success, tells its tale. None of the Governments is at heart anxious to lay the torch to the powder mine. To-day, as always, it is accidents or resolute men that make the declarations of war. Here, as elsewhere, situations in which war seems inevitable, have a way of lasting for years, to vanish in the end undischarged.

A second factor is the economic factor. The progress of industrialism and the extension of credit is slowly rendering war in the old heroic style impossible. It is easy enough for people in a primitive economic state to enter upon a campaign. They seize their arms and a sack of provisions and go forth to battle. They leave little behind them save the land

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that no man can destroy, a few wretched buildings, and a family which is able to raise the few necessaries of life during the absence of the adult males. And the war may continue indefinitely. The army is mobile, needs no commissariat, and lives on the territory it occupies. But civilized nations cannot fight in this way. The modern state is a vast and complicated piece of machinery, and every cog must do its duty or the whole engine will cease to work. War means the sudden conversion of this delicate machinery to an unnatural and unaccustomed purpose. It is an axiom of latter-day strategists that no great European war can last more than a few months. Among civilized and industrialized nations it will not be defeat so much as the starving millions in the great manufacturing towns that will compel a hurried peace. These factors are ever present in the minds of the statesmen of the Great Powers. Few of them realize their full implication, but year by year they are forced to pay more attention to the loss to their own country which victory, or even wars in which they do not actively partake, inevitably involve. The Great Powers, therefore, are steadily pacific. But the effect of their influence is greatly reduced by the fact that few of them can refrain from fishing for themselves in these troubled waters. The Great Powers are not so united in their common aim that spontaneous quarrels are impossible, and they are certainly not on such terms that interested third parties cannot make their mutual jealousies the instruments of their own advancement.

But if the economic factor is decisive with the Great Powers, it hardly applies at all to the Balkan states. That is one of the fundamental elements in the situation. Turkey is a pre-economic state, and most of the other Balkan communities are much the same. The population still lives almost exclusively on the soil, there are no industries to speak of, railways are few, machinery is hardly employed, credit, save in a few towns, and then chiefly among foreigners, is almost unknown. War, though it may be

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conducted with great barbarity, is a comparatively simple operation, which need not ruin the country even if it is defeated. The old-fashioned picture of the Turk as a patriarchal person, of a fiery temper, but indolent habits, dwelling peacefully at ordinary times in a house by a running stream, but ready to rush forth to do deeds of incredible valour and ferocity from time to time at the bidding of the Sultan or the call of Islam, and to return again a week or two later to quiet and undiminished prosperity by his own fireside, is still fairly true of most of the Balkan peoples. They are easily moved to acts of violence, and are little restrained by consideration of possible material loss, because they have little to lose but their lives. And, as Bacon said, *Men prefer danger to labour*.

There is a third factor making for peace—the consideration that success is very uncertain. Any one of the Balkan states may feel confident of its ability to defeat or resist another. But nobody can foretell the result of a struggle in which not only the half-dozen Balkan states are involved, but most of the great European Powers as well. To provoke a war, therefore, is not simply to put your trust in your own valour and strength; it is more to cast your fortune on the gaming table for all and sundry to seize or win.

It is, therefore, impossible to foretell what will happen next spring or at any other time in this unquiet part of Europe. The great danger lies in the fact that there is no one in authority. Any one of the nations interested, any one even of a thousand different groups or individuals, may light a match, by a speech, an outrage, or an insult, and set fire to the magazine. Things are not made easier by the Turco-Italian war. Tripoli is irretrievably lost to Turkey, whose finances—the foundation of national independence—are lightened of the burden of its administration, but severely taxed by preparations for war. Unless peace can be declared shortly, the war is likely to spread, partly because it may upset things in Turkey itself, partly because it is bound to inflame ambition throughout the Balkans. The

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dismissal of the Austrian Chief of the General Staff is a reminder how near were the war party in Austria to forcing an Austro-Italian war. And if the war does spread it is bound to involve the whole world. This does not mean that the great nations will all be at war, but they will be standing round the ring, watching the combatants, excited and suspicious one of the other, intent on grabbing something under cover of the dust and confusion, or anxiously protecting their rights and interests against the greed of their neighbours.

And if the scramble becomes general, what is the result likely to be? None can say. It may vary between two extremes. It may leave things exactly as they are, because no one is able to win a decisive victory, and because the chief parties can reach no agreement about change. Or it may involve a complete resettlement. If so, the maximum change that seems possible is that Austria-Hungary should incorporate Servia, Montenegro and the Southern Slavs, that Bulgaria should annex South-eastern Macedonia and reach the Mediterranean, that Greece should acquire Crete, the Ægean Islands and Epirus, and that Albania should form a new state, wedged between Austria, the Greater Bulgaria and Greece, under some sort of international guarantee. Thus would the political organization of the Balkans be founded on language and race. What of Turkey and Russia? Turkey would probably retain Constantinople—the last outpost of her ancient Empire in Europe—because no other arrangement would command the assent of the Powers. If Russia were willing to treat Bulgaria as its advance-guard, a pacific agreement with Austria would be possible. But she would require a new arrangement about the Dardanelles and probably territorial compensation elsewhere. And is there any doubt that that would mean a further approach to the Persian Gulf, at the expense of Turkey or Persia? Whatever M. Sassonoff may say or desire, Russia is bound to move towards the Persian Gulf so long as she does not break up internally, and so long as Persia and Turkey remain as chaotic as they are to-day. It is not a

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question of her policy or ambitions, it is a question of necessity—the same necessity which has driven us to conquer India, Egypt, Rhodesia and the Sudan. Thus is the British Empire vitally interested in the Balkan question, for it may bring appreciably nearer the day when the greatest land empire in the world, containing more than 150,000,000 white people, will break its pennant on the oceans which wash the shores of South Africa, New Zealand, India and Australia.

But this is idle prophesying. Perhaps its chief value is that to it may be applied the Balkan diplomatic formula—that this, at least, is what will not happen. But it serves to show the great measure of change, even for the British Empire, which lies hidden in the politics of the Near East. War is not inevitable. Neither is it the least improbable. When it will come, or what its effects, or even the results of continued peace, will be, none can say. But the shadow of war lies black upon the land.

IV

THE fundamental error of the modern pacifist, as of his mid-Victorian predecessor, is that the explanation which he gives of the causes of war is wholly inadequate. This error, which underlies all his arguments and invalidates his hopeful conclusions, is due to the failure on his part to understand and to measure truly the various aims which affect the minds and actions of his fellow creatures. He is lacking both in sympathy and in a sense of proportion. And hence on the one hand he is led into an exaggeration of the effect of economic forces in human affairs, and on the other into a somewhat sordid estimate of the motives which rule mankind. For the real causes of war will be sought without success in any supposed desire of the nations for material gain, or in any belief of their rulers and public men that the rigours of campaigning are necessary for preserving the virile virtues, and that the pugnacity of the descendants of Adam is unquenchable. On the contrary, if the search is to

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be fruitful, the causes of war must be sought in the endless and divergent ambitions, aspirations—call them what you will—of the human race; and also in the present defective organization of the civilized world which provides no final method of settling the conflicting claims of national interests, save one—the arbitrament of war.

It may be freely admitted that up to a certain point economics are decisive. Without food and without wealth men can do little or nothing, and they therefore find their ambitions and their activities limited and determined by economic laws at every turn. More wars have been won or lost, more states have prospered or been ruined, through attention to or neglect of economic laws, than through any other single cause. But economics are a passive and not dynamic factor in human affairs. The ruling motives—the motives which drive men to action—always have been, and always will be, those connected with their emotions, their passions, and their ideals. Most men will risk their lives for pleasure; most men will risk, many will sacrifice, their lives for causes or principles in which they believe; few will risk, none will sacrifice, their lives for the mere sake of gold. And if this is true of individuals, it is far more true of nations. If we look at history, greed has not been the most frequent cause of war; but more often some impatient enthusiasm—focussed in a personality or an institution—which, overleaping prudent counsels, drives straight to its object by the road of revolution or war, or else the stubborn, uncompromising spirit, which, even when only trifles are at stake, makes men refuse to abate one whit of their pretensions, lest the remorse which follows faint-hearted surrender should enter into their souls.

Take even an unfavourable instance—the recent strikes. Selfish motives have played their part; but it is not the expectation of profit that has driven either side to extremes. Indeed, the strikes obviously involve certain and permanent loss to all concerned. At bottom it is a strong belief in the

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rights of property on the one side, and on the other a genuine conviction that the existing distribution of the profits of industry is unfair, which have created a situation menacing not merely to the prosperity, but also to the peace of the land. If purely economic grievances produce a temper which sets no store by profit or loss, as compared with victory, what of less material enthusiasm? The lesson of all history is that racialism and religious fanaticism have caused the fiercest wars. But if the new democratic peoples have abandoned, like dynastic claims, race and religion as causes for which they are prepared to fight, they have focussed their aspirations not less resolutely on their own national future.

What exactly nationalism is, it is difficult to say. It is characteristic of peoples which, in greater or less degree, govern themselves, and are united under a single sovereign government. It has little to do with race, geography, or religion. A nation can exist howsoever distributed its possessions, howsoever diverse the races which compose it. Its people seem to acquire a personality from their political institutions, which is emphasized by their history, language, manners, customs and ideas. But whatever the nature of nationalism, there is no doubt about the potency of its effect. Jealous as people are about their own rights and privileges, they are even more jealous of those of the nation to which they belong. They are willing to uphold its good name, to protect its independence, to exalt its influence, to extend its power, if need be, at the price of their lives. Japan and Russia fought some years ago not merely for Manchuria, but because the national destiny of each seemed to be bound up with the possession of Port Arthur and Korea. During the recent crisis no German thought of the profit he, personally, was going to make out of Morocco or the Congo. He thought of his nation's future, which he believed to be bound up with an extension of its foreign territory and markets—of his country's honour, which could ill afford to retreat in the face of threats, even though its own

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demands were excessive—of the future of “Germanism” which, if it is to flourish only on the narrow German soil, may eventually disappear before the civilization of those more fortunate peoples who have inherited wider domains. So long as nationalism exists in its present form, the argument, that it will not pay (in the economic sense) to protect your own nation’s rights, vindicate its honour, or ensure its future, if need be by war, as a strong and independent power in the world will simply have no effect. It will influence the patriot no more than the far more convincing argument—that it will pay to run away—influences the ordinary soldier on the battlefield. Before we see the approach of universal peace we must, somehow or other, persuade the democracies of the world that their present aspirations are no longer worth fighting about, that their worship of their own separate identity, and their objections to its being merged in a larger union with other nations, is absurd and unworthy of civilized people. For it is these nationalist beliefs, like the racialism of the Balkan patriot and the fanaticism of the Mussulman, that really produce war in these days, and not the delusion that war can be made to pay, or that it is necessary to the vitality of the human race.

It may be possible to undermine nationalism. It is probable that before very many years are past a great number of educated and intelligent people will have come to the conclusion that nationalism in its acute form, like racialism and fanaticism, is a mistake. But even so we shall not have put an end to war. Not only have we to work a revolution in our opinions, but we have also to bring about an even greater revolution in the whole political organization of the world.

For the second great cause of war—the cause, indeed, which is at the bottom of nationalism itself—is the organization of the peoples of the world into absolutely separate, independent and sovereign states. The growth of international influences, like trade and the credit system, and

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the existence of federations of employers and workmen, and of countless *international* societies for the study of science or art, or the promotion of temperance or peace—these and similar developments do much to remove ignorance and misunderstanding, and to establish bonds of sympathy and mutual comprehension between groups or classes in the different nations. But they do not alter the fundamental fact that mankind is organized into separate national entities which can act as such in only one way—through national governments, which acknowledge no superior authority or tribunal, and whose only instrument of action beyond their own boundaries, is the sword.

So long as the peoples of the world are organized in this way, disputes are certain to arise between them, about territory, about the treatment of their own subjects and their property, about openings for trade and investment, about policies which affect the nation as a whole. As the world becomes smaller and more interdependent the occasions of dispute will multiply. Quarrels about unfair preference in railway or shipping rates, about the dangers due to inadequate precautions against disease, about the entry of undesirables or coloured races into countries territorially contiguous, about the sale of territory or bases to powerful rivals, about the application of labour restrictions on foreign vessels calling at national ports, about legislative or administrative action affecting the value of foreign investments, and about justice withheld from individuals—all of these are and will continue to be the constant preoccupation of the Foreign Offices and diplomatic services of the world.

How are these difficulties to be adjusted? Let us compare the situation with that which exists within a civilized state. In primitive times, in the so-called state of nature, human beings, like animals to-day, were in a condition in which competition was universal and unregulated. From the beginning, therefore, they have devoted much of their energy and intelligence to devising principles and

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machinery for composing, peacefully and fairly, the eternal conflict of opposing interests. The history of civilization, indeed, is the history of our failures and successes in this attempt. And the solution has been found in the reign of law. Law, indeed, is nothing else than the formulated judgements of mankind about the conduct of social relations. But law does not spring up in a day. We require a lawgiver to enunciate the principles upon which disputes are to be settled. We require a court to apply these principles to particular cases. And we require police to compel the attendance of the disputants, to enforce execution of the judgement, and to suppress attempts to resort to violence. Without these institutions, maintained by the whole community in the interests of peace, there would not be order for a day, even in England. We should, each of us, be compelled to carry arms as the only protection of our rights, persons, and property, against the selfish and the strong.

But, in the international sphere, these institutions do not exist. There is, it is true, a court at the Hague to which disputes can be referred by mutual consent; but there is no authority to compel the attendance of the disputants, to lay down the law governing international relations which the court is to interpret, or possessed of power to execute its decrees. No court can make its own law and still retain the confidence of its clients. Such a court would at once become the scene of controversy as violent as that which rages in political assemblies all the world over. Would any of the Dominions of the British Empire be prepared to submit a question involving Asiatic immigration to a bench of foreign judges? Would the Great Powers agree to allow a panel of judges at the Hague to divide up the Portuguese dominions in Africa among them, if the decay of Portugal made intervention necessary? On what principle would a court adjust the changing position in the world, as between a growing power like Germany, and a decadent power like Turkey?

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Arbitration is, obviously, no solution of international disputes of first-class political importance. And even in those questions involving the interpretation of treaties, and agreements, and matters of fact, where arbitration is possible, it is only of limited value. Any power, simply because it is independent, can stultify arbitration by refusing to submit its disputes to the court, or to abide by them when delivered. And, in either event, the aggrieved nation has no other means of redressing its grievances or vindicating its rights, but war.

We are therefore thrown back on voluntary agreement as the only alternative to war for the purpose of settling international disputes. But voluntary agreement is no more likely to be a permanent solution in the case of nations than it is in the case of individuals, and for the same reason. Unless there is a superior authority, strong enough to insist on a pacific settlement, either party may refuse to come to terms and may itself resort to force or may leave its adversary with no other method of gaining its rights than war. That is why, under present conditions, every international dispute, however trumpery, contains the seeds of war. If either side is unreasonable or unfair there is no alternative between surrender or war. And the danger does not spring even mainly from the probability that any of the Great Powers will be particularly stubborn or unjust. It arises rather from the fact that both governments and peoples honestly believe that right is on their side. Civilized nations have adopted parliamentary institutions, not simply as a convenient machinery for passing legislation, but because a political assembly is an indispensable forum in which the views of the minority can be aired, and where ignorance and misunderstanding can be dispelled by public debate and argument. As between nations there is no machinery for making the one side understand the case of the other. Each side hears and listens only to its own representatives, who are always prejudiced in favour of their own views, and are usually more or less ignorant of their opponents'

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affairs. Compromise or agreement under such conditions is extremely difficult.

In the international sphere, therefore, there are no other methods of resolving disputes than the difficult negotiation of a voluntary agreement, or resort to force; and so long as the nations are organized as sovereign independent states, jealous of their own rights and privileges, and refusing to abandon their own political independence in order to unite in creating a superior authority to lay down the law which is to govern their relations, and raise the taxation required to enforce it, this will continue to be the case. War is the price we pay in the first place for our national aspirations, and in the second for our defective political institutions. It will not vanish until we have abandoned both of these, until, indeed, we have reached the millennium long prophesied—the Federation of Mankind.

And in this fact lies the explanation of the swelling burden of our armaments. For, paradoxical as it may appear, armaments are not only the sole defence of our rights and liberties; they are the chief safeguard of peace. The more efficient they are, and the more appalling the destruction they may cause, the more they are likely to restrain a populace from clamouring for war, and the more they are likely to make the negotiators anxious to agree. Inflated armaments are at least an insurance against thoughtless wars.

If we require any confirmation of the views here expressed, let us look for a moment at the history of Europe from Roman times. A rapid survey brings out vividly how, almost unconsciously, its peoples have been struggling for political unity; how the ambitions of powers and the enthusiasm of nations have checked its achievement time after time; how disastrously Europe has suffered from its failures to achieve unity, and how fruitless have been the attempts to keep the peace by other means. The Roman Republic early established within its boundaries peace, order and justice, by the same institutions as we employ to-day. But

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like ourselves, it found that internal peace and order were constantly liable to be upset by incursions from outside. There was only one solution—to incorporate unruly or aggressive neighbours within the state. And Rome, like every other state in the world, was gradually forced to expand her domains, because in no other way could she maintain within her own borders the conditions her people found necessary for a happy and civilized life. Finally, the vigour and the strength of the Roman constitution were such that its dominion extended over almost the whole of the known world. The Empire, however, would have perished swiftly if it had been dependent on the force of the Roman armies alone. It survived, like the British Empire, because it gave, even to the subject peoples, the boons they valued above all else—peace and the reign of law—and along with these the opportunity of living their lives as they thought best. Had Rome been tyrannous, war would have seemed preferable to slavery.

But in the course of time the Roman Empire crumbled from its very immensity, and the inadequacy of the mechanism of its government. The representative system had not come into use and the city of Rome was too small a base on which to rear so immense a structure; nor was its spirit, in later years, sufficient to inspire so vast a fabric with life. Local forces began to prevail which disregarded the commands of Rome, and subordinated the interests of the Empire to their own. War instantly reappeared. Rome could not put it down, and people turned to the new powers, for these alone could protect what men held most dear. And so the empire crumbled into the principalities, and kingdoms, and nations which we see in Europe to-day.

But the tradition of Rome survived. It was not the glory of Rome which kept it alive. It was the faint hope that a name and an institution which had given peace to the world might still save it from the tyranny of nobles, and the squabbles of kings. It was this blind instinct for a central

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authority to adjudicate in disputes so as to prevent war, which kept alive the Holy Roman Empire. When Charlemagne, in 800, was created Emperor of the West, it seemed that the dream of a universal authority, to compose or prevent the quarrels of peoples and kings, might come true. He was immeasurably the strongest and ablest potentate in Christendom. It was possible that to enforce his rulings he might succeed in creating that reserve of strength without which the most exalted institution in the world is but a name. But circumstances were too strong, and his successors too weak for the task. The Emperor became little more than a German king; and the very magnitude of his functions undermined his ability to impose his will even in his own domain. As the power and influence of the Emperor waned, that of the Papacy grew. Here, it seemed, was an authority, divinely inspired, freed from the temporal cares and temptations of kings, and acknowledged by all Christendom. Might it not become the court to which all disputes between kings and peoples could be referred, so that Europe might be at peace? But the Papacy, though it commanded the thunders of heaven, had no strength on earth. If men chose to disobey its rulings it had no police with which to enforce them. Though it did much to prevent war, it did not, because it could not, succeed. With the Reformation its authority over half Christendom vanished away.

And with the disappearance of the last vestige of an international authority Europe was given over to a carnage such as it had never witnessed before. Religious passions, and the ambitions of kings had free play. England alone escaped, protected by the sea. At length the reaction came. Out of the French Revolution, which aimed at sweeping away the tyrannies which deluged Europe in blood, and robbed the people of all but the barest subsistence, arose Napoleon. Napoleon saw that what Europe wanted was not democracy, but unity and peace; and he believed that the fierce enthusiasm of the levies of France was strong enough to win an empire, in which, when once

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it was properly organized and administered, the peoples of Europe would come to acquiesce as a relief from the horrors they had known before. But fate was against Napoleon. His genius and his armies were strong enough to conquer Europe, but not to crush that spirit of political liberty, born in England, and spread through Europe by the torch of the Revolution. Inflamed by England, which saw her freedom threatened, this spirit destroyed the only foundation on which the Napoleonic Empire could have survived—the reign of peace and law throughout the Continent.

But though Napoleon, by employing force—a weapon which had begun to lose its potency—failed to bring union to Europe, the idea still survived. It survived in its original form to be revived by Bismarck fifty years after Waterloo when he gave unity to a distracted Germany by the Prussian arms. It survived also in the conception of the Concert of Europe. Congress after congress of the powers met, as the supreme authority, to agree to or refuse changes in Europe. For a long time—such was the memory of the Napoleonic era—they managed to keep Europe comparatively free from war. But Bismarck, by the same means which had united Germany, gave the Concert of Europe its death-blow. For the Concert, like the German Diet, depended for its success on its ability to enforce its decisions. And that again depended upon its members being able to agree, and then combining to execute the common policy. Such an institution, a mere phantom of unity, became paralysed and impotent directly a single important member refused to agree with the rest, or even declined to attend its meetings. Bismarck saw this, and, in the interests of German unity, made the Concert unworkable and left Europe faced once more with an era of unrestricted international struggle. With the disappearance of the Concert, disappeared also the ideas on which it rested. The history of the past few years—violations of the Act of the Congress of Berlin, of the Act of Algeciras, the Agadir incident, the seizure of Tripoli—prove the bankruptcy of the attempt to govern

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the affairs of the civilized world by voluntary respect for the sanctity of international treaties. It has established the Bismarckian principle that might, not law, must be the foundation of the European policy so long as its peoples are divided and are inspired by national ideals.

V

WE can now see something of the magnitude of the problem. Pacifists, ancient and modern, have failed to expose it because they have never probed to the bottom the real causes of war. In consequence they have underestimated the vast changes which are needed before war can be abolished, and the immense efforts which are required before these changes can be carried into effect. The pacifist of to-day, indeed, appears to be willing to rely upon a simple educational campaign against existing popular illusions. He does not even propose to attack the prevailing nationalism—the active cause of modern war. But even if he were to embark upon such a crusade, and were to succeed, he would not be at the end of his task. Education and the spread of new ideas are certainly indispensable preliminaries to every great reform. But, by themselves, they will no more abolish war than the universal conviction of the man-in-the-street, that theft is bad business will prevent the pickpocket from snatching his watch. The belief that duelling and religious war vanished of themselves is simply an historical error. It is quite true that the first step was to convert people to the belief that these practices ought to be abolished; but it was not until the majority was able to enact laws and to enforce them by the irresistible authority of the State, that they were finally stamped out. It is precisely because duelling is not effectively repressed in France and Germany to-day, that it lingers in existence. And though there was no authority to stamp out religious wars between nations, we have abandoned such struggles, partly because the introduction of democratic government—an immense change in our

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political machinery—has made it impossible for any government to use its strength for religious propaganda abroad, owing to the variety of religions professed by its own supporters, and partly because the repression of religious strife by force within the new democracies has resulted in fanaticism being supplanted by nationalism as the active cause of quarrel between nations.

Modern war is caused by a conflict of interest, or aspiration, between nations. It will not disappear until that cause is removed, and this would involve two great changes. The prevailing nationalism of the most civilized peoples must be undermined: the present organization of humanity into independent sovereign states must be abolished, in order that the machinery for the maintenance of the reign of law may be extended so as to embrace the whole world.

This is a stupendous task. For see what it means. It means, in the first place, that we must succeed in persuading the racial patriots of the Balkans that they are fighting for a cause which they had better drop; the Mohammedan that his religion is as nothing compared with peace; the stalwarts of the Western Nations and Japan, that the nationalism which is their pride is an illusion which stands in the way of the progress of the world. And when that is done we have still to persuade the peoples of the world to carry into effect a political change which will entrust the control of their destinies to an authority, possessed of the power to enforce observance of its decrees, and to raise taxation for this purpose, yet in which the representatives of each will only be in a fractional minority. Is it yet possible to conceive how such a body is to be constituted? How are even the British and the Germans to find the common political machinery suited to their institutions, and their racial temper? How is representation to be accorded to the white peoples as well as to the uncounted myriads of Asiatics now busy inaugurating popular government for themselves? Yet without this change and the consequent agreement to abandon national aspirations and national

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armaments there can be no security that one of the peoples, caught as Japan has been by the allurements of ambition, will not pursue a policy and build up a force which will plunge the world into war once more.

The difficulty of persuading mankind even to consider such changes is immense. If the pacifist over-estimates the potency of economic motives, he also over-estimates the propensity of human beings to follow the dictates of reason. The great majority is made up of people who are almost impervious to new ideas, who are governed by every kind of prejudice, who are ignorant of all but a fraction of the world's affairs, and who cherish every sort of shibboleth and perverted nostrum of their own rather than the dull, plain truth. What practical man, what practical politician, has not come to the conclusion that it is suspicion, ignorance, prejudice, honest, but misguided, conviction, even sheer stupidity—not selfishness or guile—which are the real obstacles to progress? Is not the Moslem woman the fiercest champion of the system which enslaves her, body and soul?

Moreover, the chief resistance will come from the best elements among mankind. We may feel sure that religious intolerance, race hatred, and national patriotism are a mistake, that society would be better and more prosperous for their abolition, and that posterity will suffer if they are not destroyed. But before we can destroy them, and effect the revolution in our constitutions which will finally put an end to war, we must first persuade to this view men and women who believe that these ideas are good and true in themselves, and who would rather die than surrender them, or allow them to be undermined.

And, in a measure, such people have right upon their side. Religious fanaticism, racialism, nationalism—many of the ideas which later generations discard as harmful and absurd—mark great stages on the road by which mankind has risen from the condition in which they could conceive of no higher god than their bellies. People who still believe

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in these ideas have an instinctive grasp of this fact; and they fight desperately for the husk lest the kernel of truth, often long since assimilated by civilized mankind, should perish with it. And it is because there are people who hold to their convictions thus strongly, and who are ready to make any sacrifice for their sake, that civilization and virtue do not decay. With such men the argument that war is absurd, painful, and destructive, falls on deaf ears. They know it and admit it, but what they care about is their country, their church, or their own race, and nothing, not even the fear of death, will daunt them. And just because most men are like sheep, the firm wills and strong convictions of such men will carry weight with their children and their children's children.

Finally, even supposing that nationalism were to be undermined, and the need for a vast political reform were to be generally recognized, what guarantee have we that we should see universal peace? Criticism of existing beliefs—scepticism—has never, in itself, led to an advance. Unless it prepares the way for the appearance of new and greater positive ideals, which can claim the loyalty and inspire the energy of mankind, it is the mere prelude to decay. And if the nations abandon their rivalries is there any reason to suppose that mankind will not once again combine in groups which will fight rather than agree? Is it not too probable that it will return to the most ancient of all feuds—East *versus* West—that the coloured races will fight against the predominance of the Western races, and their own exclusion from half the world; and that the white peoples will fight rather than allow the Asiatic races to enter their territories and undermine their social identity and the civilization which is their pride? At bottom we are confronted with the old difficulty. As civilization leavens barbarism, so barbarism reacts continually on civilization. Just by reason of that universal interpenetration of the world, which is the chief characteristic of modern times, no continuous and uninterrupted progress is possible until all

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peoples are approximately on the same level of civilization, and can move forward in step.

There can be no possible doubt therefore that we are still an immense way off universal peace. The elimination of war does not simply mean the destruction of a few popular illusions, and a comparatively short educational campaign; it means the rooting out of some of the strongest and most stubborn of human convictions, and the reconstruction of the whole scheme of government of the world. There is no ground, therefore, for the not uncommon belief that we are quite close to the millennium of peace, and that we may begin to fold our hands and abandon our long-continued preparations for self-defence. That is the greatest, as it is the most dangerous, of illusions. We shall not contribute to the peace of the world by allowing the national organizations which maintain law and order within their own boundaries to be destroyed from outside. Progress is won by effort; and if we are not yet civilized enough to overcome the causes which make for international war, we shall not help things forward by slackening those preparations which alone guarantee us the internal safety and liberty we now enjoy. Peace will come no nearer if we make it easier and cheaper for the ambitious and the strong to gain their ends by force.

For the present, and for the lifetime of the present generation at least, we are bound to follow the path we have trodden in the past. We shall preserve our own peace and independence only by being strong enough to defend our rights and independence from successful assault. But we must beware of allowing our strength to distort our judgement and our policy as the Germans have done. So long as the affairs of the world are managed by independent sovereign governments, the best, indeed the only way of avoiding war, is to be studiously honest, reasonable, and considerate in dealings with other powers. Truculence, the mailed fist, and double dealing, inevitably mean war, for they make negotiation impossible; and when that ceases conflict begins. The affairs of a rapidly changing world

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cannot be safely handled without much patience and good will among all concerned.

There is no answer to the remarkable speeches on foreign policy which have recently been made by Sir Edward Grey. So long as nationalism lasts there are only two possible policies for a strong and resolute power—the Bismarckian and the British. The one looks to force as the solvent of conflicts of interest; the other, to friendly co-operation and agreement. Neither can be applied in its entirety. But it makes all the difference to the peace of the world which of the two principles is predominant in the counsels of nations.

But there is a positive side to the case. We must defend resolutely the integrity of the British Empire, not only because in no other way can we ensure freedom and safety for ourselves, but because, strange as it may appear, the hopes even of those who desire universal peace are bound bound up with its existence. For the British Empire is the only attempt which the world has yet seen at the practical application of those principles which will lead to the ultimate abolition of war. The British Empire contains within it the most civilized as well as the most backward races. It gives self-government to those who can govern themselves. It gives peace, order, and the opportunity of self-development to those who are not yet fit for such responsibilities. The British Empire alone, of all the great political fabrics of the world, has been able to reconcile social, religious, national, and geographical diversities with an overshadowing unity—the guarantee of peace and of the triumph of justice between them. While guaranteeing the utmost liberty to the individual citizen, and the utmost freedom to race, religion and the instinct for local autonomy, it possesses a central authority where the peoples of which it is composed can meet and lay down the principles on which their common interests are to be protected and their conflicting interests reconciled—a system of justice whose integrity is above reproach, and a military and naval force not only sufficient to repel external attack, but to preclude the possibility of war between its

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parts. If it can be preserved it will be alike the model and the omen of the organization of mankind. If it is dissolved by external force or internal folly, what hope can there be that we shall succeed in the greater, when we have failed in the lesser task?

Yet the future of this Empire is by no means assured. Its area is vast, its controlling peoples are scattered and not numerous. It is confronted by powerful enemies. Its institutions are chaotic and anomalous. They are inadequate to existing needs, and are patently breaking down. In their present form they cannot be permanently reconciled with the growing nationalism of the Dominions, or with the aspirations of the subject peoples for self-government. The first is the more urgent problem. At one time Colonial nationalism threatened to disrupt the Empire. To-day it seems as if it would be the foundation on which a new and stronger structure would be built. The proper treatment of the backward peoples is not a less difficult though it is a less insistent problem. But unless, as time goes by, a solution can be found, the vitality and strength of these peoples, fostered by British rule, instead of sustaining, will end by destroying the Empire.

But if the difficulties are great the necessity is also great. For if the Empire crumbles into ruins what does it mean but the re-appearance of new and unnecessary points of international friction, and the setting back of the march of civilization by many centuries? Well may pacifists tremble for its future, for on it are their best hopes truly founded. Pure pacifism is a lost cause, for its advocates are the only people who are debarred from laying down their lives for their creed. The Imperialist has a simpler task. For his self-interest and his ideals coincide. In struggling for the Empire, he is not alone protecting his liberty and his fortunes; he is also holding the torch which lights the steps of mankind in their search for peace.

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A BRITISH GOVERNMENT ought to know what effect the outbreak of war is likely to produce in Lombard and Throgmorton Streets and what measures it may have to enforce to forestall a financial crisis, just as much as it should have plans for the strategic disposition of its naval and military forces. In ordinary times, no doubt, the less a Government interferes with the delicate mechanism of finance the better. But there may be times when, owing to our peculiar banking laws, it must act, and then it will be of the first importance that it should act with knowledge. At present one is almost entitled to suspect that just as the War Office will train the Territorials, so the Treasury hopes to acquire a knowledge of its duties, after and not before war has broken out, instead of keeping in close touch with the financial community at all times, and making, in consultation with it, preparations for all emergencies.

The object of the following pages is not, however, to teach the Government its duties. It is the more modest one of attempting to sketch, in broad lines, what may be called London's place in the world of finance and Lombard Street's capacity to meet the shock of war. That is a matter which vitally affects every citizen of the British Empire, the South African and Canadian as much as the Englishman and Scotchman. There is no parallel to the position which London holds, nor has the modern-world system of credit ever been really subjected to the test of war. While, therefore, much that is said must be conjectural, the subject may perhaps derive an added interest from the uncertainties which surround it. There is a further reason for clear thinking on the subject. Much is said in these days about finance making war impossible. A clear perspective of the subject may better enable us to decide on the truth of this dictum and on the extent to which modern developments of the credit machinery have eliminated the fundamental causes of conflict between nations.

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I

At the height of the recent Morocco crisis the world learnt that the great German financiers, appalled at the chaos into which, as they believed, war would plunge German trade and German credit, were putting strong pressure on their Government in the cause of peace. Even the apprehension of war had brought the Berlin bourse into a pitiable state of nerves, which the Government were obliged to relieve by soothing measures. It became clear to the world that credit had no frontiers, and that the largest army in the world and the strongest fortresses were powerless before the invisible forces of distrust. But Germany was not alone in her discomfort. She was thought, indeed, to be particularly vulnerable owing to her peculiar dependence on foreign money and credit. Yet other nations were in much the same plight. It was clear that no great war-shock could be given to the nerve system of international credit without bringing with it the danger of general paralysis.

The world had had also a few years before another proof of the growing interdependence of modern nations in the American monetary crisis of 1907. There was hardly a civilized country, hardly indeed any industry in any civilized country, which was not affected in some way or other by the sudden collapse of American credit and the consequent paralysis of American trade, external and internal. Among its manifold consequences, for instance, may be placed the smooth passage of the Union of South Africa. During some months American women ceased almost entirely to buy diamonds. Since they buy far more diamonds than the women of any other nation, the diamond trade which is centred almost wholly in South Africa, was completely disorganized. The finances of the Cape Colony, being largely dependent on the revenue from the diamond trade, were thrown into confusion, and in consequence the Cape Colony was induced to agree to unite with the other South African colonies on terms to which in her days of prosperity

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she would never have agreed. This perhaps may stand simply as a curious example of the far-reaching effects of modern trade. Yet it is hardly to be wondered at that the sudden stagnation of the great American market, coming as it did on the top of a period of general overtrading, had serious consequences all over the world. The shock to international credit, accompanied by a huge shrinkage in the value of American securities, many millions of which are held in England and on the Continent, had results equally far reaching.

It is unnecessary to multiply examples. The effects of a financial crisis are indeed clear enough. But what are the causes? Why is it that failure of credit has such a paralysing effect on industry and trade? In what way are modern nations coupled together like a train of railway trucks so that a shock to the credit of one is inevitably transmitted to all the rest? To outsiders the money-market seems a dull subject, perhaps because it is difficult to explain it in any but a dull way. Like philosophy it has a language of its own, full of unintelligible technicalities, which only become intelligible, if one uses them in one's daily life. But since ignorance or indifference to the subject may bring the most unpleasant consequences to the inhabitants not only of the United Kingdom, but the British Empire too, some attempt to throw a little light upon it may be excused in the pages of the ROUND TABLE.

The system of banking and credit, without which our modern world would never have come into being, performs several indispensable functions for society. A bank concentrates the money of the community, so that it is accessible and available. A million pounds scattered through the community in tens and fifties are quite useless for the production of wealth. Concentrated in a bank they are at the service of the enterprising section of the community. They can be lent to those who can give the bank proper security, and can be used continuously and in endless ways to enrich mankind. A bank therefore forms a bridge between those

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who have money, but no opportunity for its profitable use, and those who could use it profitably but have too little of it. Just as a huge wholesale store collects and distributes goods for its customers, so a bank collects and distributes capital. But if banks had been restricted simply to lending out the metal currency their depositors brought them they would never have gone far towards changing the face of the world. Some inventive genius discovered that if a bank could persuade people to use a currency of its own as a supplement to the metal currency, it could lend more "money" than its depositors had brought it. It could then enormously extend its operations. There was vastly more wealth in the world in the hands or at the call of enterprising men than the small amount which banks could take in pledge in return for the loan of actual gold or silver. Would not the public take the bank's promise to pay gold instead of the gold itself? It was true that gold must always be paid when demanded and that the more promises to pay there were, the more difficult it might be to do so in any time of stress. But still depositors must be judged as reasonable men, and if the bank were well conducted they would probably make no unreasonable demands for cash. Thus in bank notes a new form of currency was invented, which still does duty to a greater or less degree in every country. In Great Britain and her Dominions and in the United States the last few decades have seen a further refinement of banking. Cheques have almost superseded bank notes, while in other countries, such as Germany, a highly developed system of transfer to some extent takes their place. Banks lend money, not in gold or notes, but merely in the form of a book credit, or a right to draw cheques. These extraordinarily simple forms of currency, unlike gold, cost a bank practically nothing to make and are therefore a source of great profit. And to the public they are vastly more convenient.

Imagine the modern world of trade if every debt had to be redeemed in gold. It could never have come into being. There is not a merchant or financier or stock-broker who

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has not every day to be meeting large liabilities. If a merchant wishes to-morrow to pay a debt of £10,000, he draws a cheque on his bank. If there was no bank, or if the bank had closed its doors, he could not pay. He could never find the gold. There would be no machinery for payment. The collapse of the banking system would mean nothing short of the immediate cessation of the production and distribution of wealth as we know it.

What is the significance of this discovery of credit? Before credit was invented the only wealth which was "liquid" or "employable" was gold and silver. They were the only currency in which labour could be paid and materials purchased. They were not only limited in amount, but still more limited by the difficulty of their transfer. To send a million pounds from London to New York was, apart from its great risk, a matter of months. The same sum can now be transmitted in half an hour by the despatch of a cable. By the invention of credit, which in its modern development would not be possible without the telegraph, the telephone, the steamship and the railway, a bank has power to give life to a great mass of dead wealth, to "mobilize" it. Land, commodities, precious stones, stocks and shares, bills of exchange, in short, all forms of or rights to wealth, which have indeed value but are not currency and are useless for the payment of labour or the purchase of materials, can be taken to a bank, pledged to it, and the owner receive in return the bank's currency either in notes, or, as in the British Empire and the United States, in the form of the right to draw cheques. By this simple process this dead wealth is turned into currency and made available for any use to which the borrower desires to put it.

It is no exaggeration to say that almost the whole of modern trade and industry is based, in this way, on borrowed money—borrowed either from unsuspecting depositors, who have no inkling of the uses to which their money is put, or from the banks themselves by means of the currency they create. If there were no banks from which to borrow, trade

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and industry would shrivel up just as a balloon shrivels up on an escape of gas. So long as the money is borrowed to finance safe undertakings, and, in particular, the production and distribution of the great necessities of life, it is wholly legitimate. If traders, and merchants, and producers had to wait for their money until the actual buyers of their products could pay, the wheels of commerce would never go round at all. The cotton grower could not get paid until the cotton spinner had sold his yarn; the wholesale buyer of yarn could not pay the cotton spinner until the retail merchants had paid him; and the latter could not pay until they had disposed of their purchases in detail to their customers. Thus the cotton grower would have no money to begin sowing and tending his crop; the spinner no money to pay his wages; the wholesale merchant no money to replenish his warehouses. They must all wait months till the retailer had sold his stocks. And this, not because the transaction was doubtful or risky, but simply because the wealth in the cotton at its different stages was not employable. All this is altered by the loan of banking currency. The producer, the manufacturer, and the merchant can all turn their wealth into money at once, simply by pledging with the bank that wealth in its different forms of raw cotton and finished yarn. This process, by which the banks "carry" the immobile wealth of the world, is universal in trade and industry. In those countries where land and mortgage banks are developed, the same principle is fully extended to agriculture, to its immense advantage. Instead of being flush of money when he can sell his produce and short at other times, a farmer can raise what he wants at such times as suit him.

There is therefore nothing intangible in credit. It has at its back wealth of some kind or other which the bank lending the credit supposes to be of at least equal value to it. The borrower has pledged his wealth to the bank; the bank has lent its currency to the borrower. Even if a borrower is given a "blank credit" or an "over-draft," the loan is made against the value of his supposed capital.

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Credit which is given without security of some kind is illegitimate. At first sight there seems no reason why this delightfully simple process of manufacturing money, which costs nothing to make, should be limited by anything except the amount of wealth there is in the world to pledge. And there would be no reason, if the roseate schemes of borrowers were always fulfilled; if nature was never capricious, and depositors always reasonable. For then every bank would always be repaid its loans with interest, and depositors' money would never be in danger. Unfortunately the precience of borrowers and banks is far from perfect.

“The best laid schemes of mice and men gang aft agley.”

Even if human frailty became human perfection, nature would still be fitful. A bad harvest may follow a good one; a promising mine “peter out.” The borrower may have successfully estimated his market, or, in other words, the wants and fashions of men, and yet nature upset his plans. Take the cotton trade. The loans made by the banks are based on estimates of the cotton harvest, the market for cotton, the other demands for credit which must be satisfied, the signs of the political sky, and so on. None of these are under the banks' control. There is not a day in the year on which bankers must not take account of the changes and chances of this mortal life. In fact, as long experience has taught, the limitations to credit are very definite, and the path of history is strewn with the wrecks of banks which have ignored them. Enterprising men, especially in optimistic times, become too enterprising. Over-production may bring a crash, and over-production merely means that banks and borrowers in general have taken too rosy a view of the future. Depositors may take fright. Something unforeseen may happen, and what is unexpected and unforeseen is bound to make banks uncomfortable.

This system of banking and credit, in its origin peculiarly British, has been rapidly extended in the last fifty years over the face of the civilized globe, and is binding all nations

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together to an extent hardly yet recognized. The credits, which one bank gives, become the deposits of another. You may receive a credit of £100,000 from a London bank which you may utilize to pay wages or to buy materials in the Argentine. Those whom you pay or from whom you buy repay the money into their banks again and it is again available, but in another country. You may buy securities in America. Your money goes to swell the American banking deposits. You may buy wheat from Russia. Your money is transferred to a Russian bank. Thus the great mass of banking currency, representing the employable wealth of the world, circulates incessantly from bank to bank, from country to country. The result has been vastly to increase the liquid wealth of the world and to accelerate its development. Great masses of capital are heaped up in the national banking centres in London, New York, Paris and Berlin. Every year its concentration becomes more pronounced in those great centres where the machinery for its employment is most perfect. Vast amounts of capital are available in each country for the development of its own wealth. The great creditor nations, Great Britain and France, which have more capital than they can profitably consume in their own countries, lend out yearly huge sums for permanent investment in any country and for any enterprise which promises a sufficient reward. France has turned her attention mainly to Europe and Latin America, England to the whole world, but to Europe least of all. On the other hand, debtor nations, like Canada and the Argentine, absorb all and more than all their savings, and even the United States and Germany have comparatively little for investment in other countries.

But it is not only by means of permanent investment in one country or another, through the medium of a public issue in the market, that these great masses of capital find employment. Much of it is suitable only for temporary investment in the short loan markets of the world, either in the discount of commercial bills or by means of loans to the Stock Exchange. Every bank must keep no small proportion

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of its money "on call," and this floating supply is invested for short periods in that market where rates are favourable. If money is cheap in New York—i.e. if the banks have created or borrowed more money than the enterprise of the country can at that moment utilize—American money flows to London, Paris or Berlin; if money is cheap in Paris, as it generally is, it finds investment in England and Germany. Between all these great national reservoirs of capital there is thus constantly flowing a great stream of capital for temporary investment, regulated by the value of money in each of them. Moreover, in addition to the permanent investment of the citizens of one country in the undertakings of another, and the temporary employment by one banking centre of large amounts of money in the short loan market of others, the great banks of such centres as London, New York, Paris and Berlin are constantly employing their funds and their credit in financing foreign trade and in making loans on the security of wealth and property in all parts of the world. Every day, therefore, the dependence of the banking community in one country on the soundness of the banking community in every other brings closer together the economic interests of all nations. Both creditor and debtor nations are vitally interested in one another's welfare. On the one hand the investors of a creditor nation can hardly help wishing for the prosperity of the country in which they have invested their money. On the other, a new country with little capital of its own depends on the continued import of capital to an extent which those who live in an old country can hardly comprehend.

We see attempts being made by Governments to determine the channels into which the surplus capital of their citizens shall and shall not flow. France refuses a loan to Austria, because Austria is a member of the Triple Alliance; the German Government tries to prohibit the investment of German money in foreign undertakings. Great as may be the political effect of such action, it can never in the long run wholly attain its object economically. It is like trying

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to dam a river by erecting a wall across a part of its stream. The water finds its way round another side. English papers have lately applauded the patriotic determination of Frenchmen not to invest money in loans which might, at any rate indirectly, be utilized for the construction of German and Austrian Dreadnoughts. But what do we do? We lend German trade and industry many millions through our credit system without any fuss. And if we did not lend money to Germany, we should lend it to some other country, whose prosperity would be thereby improved, and whose trade with Germany would also, in consequence, almost certainly be improved. France may determine to lend to Russia and not to Germany. Germany's trade with Russia is thereupon improved with the improvement of Russia's financial position. We may lend money to the Argentine; the Argentine will trade more with us, but she will also trade more with Germany. In fact, surplus capital is bound to be employed somewhere. Left to itself it will seek the most profitable channels; if its movements are restricted, it will have to seek less profitable channels. But the net result of its employment will always be an increase in the world's wealth, and that will mean more trade not only to the country supplying the capital but to every active trading country as well. If we want to be prosperous, we must face the fact that our prosperity will also mean our rivals' prosperity too.

In truth, an infinite number of strands binds all the great nations to one another and, like the nerves of the human body, these strands radiate from the great nerve centres of credit. And the more they spread out through the world the more sensitive become those centres to the welfare or misfortunes of every part they touch. Credit depends on normal times. The nature and extent of credit are based on a very great number of estimates of profitable enterprise in all parts of the world, made jointly by a great number of traders, manufacturers and others, and a great number of bankers in the credit centres of the world. If these estimates have been incorrectly gauged, the stability of

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the banks may be endangered. Their assets may be locked up in loans, which cannot be realized, and their depositors may be demanding gold. Whatever in any part of the world affects those who are employing the bank's money or credit affects the banks. Now all the estimates made are based on the supposition that nothing abnormal will occur to upset them. No doubt some of the estimates will prove to be wrong, even if nothing unexpected occurs. But in normal times most of them will work out fairly correctly. On the other hand, anything abnormal, a great strike, some catastrophe of nature, or above all a war, may upset all estimates alike. Take as an instance of something abnormal the payment of the French indemnity to Germany in 1873. In two years Germany received the huge sum of £200,000,000. And yet this increase of wealth was followed by deep depression. It was the sudden and unexpected supply of capital which upset all calculations in Germany. Money became exceedingly cheap; speculation was fostered, and all sorts of enterprises were undertaken for which there was no real demand, with the inevitable consequence of subsequent depression. It is in these abnormal times, as in New York in 1907, that the foundation on which credit rests suddenly reveals itself. Credit depends on confidence and confidence depends first on the belief in the soundness of the banking world, and secondly on the belief that every creditor of a bank can get gold if he is entitled to it. If estimates were never wrong and nature never capricious, there would be no need for gold. But as it is, gold is required because gold in addition to being currency is also a form of wealth itself. While a bank note and a cheque are worth nothing by themselves and lose in a crisis the extrinsic value which confidence gives them, gold has an intrinsic value of its own. If a depositor has his money in gold, he may be indifferent to the fate of his bank, because the value of the gold is wholly independent of credit. Of course, no one supposes that a bank is ever, or should be ever, in a position to pay all its liabilities in gold at any one time. If it were so, there would be no such thing as credit.

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The art of banking is to speculate with success on the chance that only a small proportion of creditors will ask for their money in gold at the same moment. But they *may* all demand it. And that will be in a time when any bank, however strong, will probably find it very difficult to realize its assets or obtain gold either from within or without the national borders.

Gold is the only universally acceptable form of currency. Not only is it the indispensable foundation on which to build a stable banking system, but it is the sole means for settling the balance of indebtedness between one nation and another. When their respective debts have been set off against one another the balance must be settled in gold. Every civilized country, therefore, with a developed banking system must have a big reserve of gold.

And since it is the foundation of their credit they must not only have it but hold it. If one nation is passing through a crisis, and in its thirst for gold hastens to liquidate all its assets abroad—like the United States in 1907—and to demand payment in gold, are these great banks to hand out their precious gold to anyone who asks for it, so that it may be sent away just when a nervous tremor may be beginning to pass through their own community? And yet, somehow or other, the gold must be had. If Europe owes America money she must pay it, and pay it in an acceptable currency. If gold is the only currency left, gold must be sent. Gold must be always available somewhere. And it is always available, but only from one place in the world. London, alone among the great financial centres, has undertaken the task of meeting every legitimate demand in gold at all times and to any amount. No other banking nation has ventured to face the risk of meeting not only the demands of its own depositors but of the world itself. If Germany has to pay gold to Turkey for a loan newly granted, she gets it from London; if New York wants gold, she gets it from London; if the Argentine or Egypt or India have had good harvests and want gold, they get it from London. You may

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study any day in *The Times* the gold movements of the world. The following is an extract taken at random:

“When it became known fairly early that a considerable amount of gold was being withdrawn from the Bank on German account, and that an equal sum was almost certain to be taken to-day for the same quarter, the market stiffened up again and the bills ceased to be offered freely. The prospect of great pressure at the end of the month makes the market very sensitive to all influences which are likely to reduce the available supply of cash during the next few days. Much interest was shown in the wanderings of the £400,000 in sovereigns which were sent a short while ago to Constantinople and have now left that city. We believe that about three-quarters of the total will reach London, and probably be sent to the Bank before the end of the year, of which two parcels of £100,000 each are likely to arrive on Thursday and Friday next. We also hear that Switzerland’s gold requirements are not yet satisfied, and that another £100,000 of the South African bars may be taken for that quarter. It is still uncertain whether the Bank will secure any of the South African parcel; it has received none as yet.”

Since 1895 the world’s gold has increased by £1,000,000,000. A great portion of this huge sum has passed through London, because London is a free market. Gold comes there freely, because it can be freely taken away again, a matter, as we shall see, of immense importance to our credit. But we have retained little. Since 1895, while the United States have absorbed about £200,000,000 and Russia and other countries very large amounts, London, the great gold mart of the world, has retained only about £20,000,000 or £30,000,000.

This long and somewhat academic discussion may perhaps make clearer some of the causes why a financial crisis in one country at once affects all other banking countries. There are less immediate causes in the consequent stagnation and dislocation of trade, and the fall in the value of

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securities, and these, if important, may themselves endanger credit as a whole. But the immediate cause is that a banking country in trouble at once develops a thirst for gold, which can only be satisfied by the attraction of gold from other centres. And since gold is the foundation of every credit system, every money market immediately becomes frightened. A crisis is, therefore, infectious, and on an outbreak every country becomes apprehensive, restricts its supply of credit and makes preparation for the possible extension of the disease to itself.

II

THE London banker or bill-broker, whose business lies in the money market, must, as he goes down to the City in the morning, scan the world horizon from China to Peru. He must look what gold shipments are reported into and out of the Bank, what is the rate for money and bills in Paris and Berlin, whether money is cheap or dear in New York. He must examine the foreign exchanges to note whether they indicate probable movements of gold to or from London. He will scan anxiously the political news in every part of the world. Anything which disturbs the normal course of affairs, whether it is political trouble in Europe, the failure of a harvest in the Argentine, financial trouble in New York, over-speculation in Berlin—anything that is which may possibly affect the reserve of gold in London, and through it the rate for money, directly affects his pocket.

For London undertakes to supply at any time and to any amount gold—that metal which is the basis of every great system of credit and which may at any moment be wanted to the extent of millions of pounds to support them. She undertakes to supply on demand not only the countless depositors in her own banks, but the world at large. Anybody in the world who keeps money in London or can raise a credit or get an advance in London can get gold from the Bank of England. Any nation in a bad way and wanting gold can draw it from London if it has debts abroad which it can

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liquidate. In 1907 America drew nearly £15,000,000 in two months from London. The Bank of England's reserve fell over £6,000,000 in two weeks. There is no other nation which has been able to undertake these tremendous responsibilities. America is determined to wrest London's supremacy from her some day, and if London were ever in difficulties New York would make a great bid for her place. She will soon have the surplus wealth and foreign trade needed; all she requires is a good currency and banking system and the reputation for prudence and soundness instead of for magnificent speculation. Hitherto, however, while Americans boast that New York too is a free market for gold, London has not been seriously challenged. In good times New York is a free market. But it is only four years since every bank in the States suspended specie payments. No market can rival London until it is ready to pay in gold in foul weather as well as fair. France has never attempted to face the responsibility since 1870, nor will Paris ever be a serious competitor so long as the Bank of France is legally entitled to redeem its debts in silver as well as gold at its option. Berlin aspires to be an international market. But as yet she has put forward no serious claim. The Imperial Bank of Germany asserts that gold can be had from it as easily as from the Bank of England. But nobody believes it. There is a universal opinion, surprisingly persistent, if it be ill-founded, that a black mark is entered by the Imperial Bank against the name of the unhappy bank which dares to ask for gold at an inconvenient season. In short, no other financial centre has shown strength to undertake those responsibilities which London shoulders without a thought.

London is the bank of the world and the world's clearing house. Civilized nations bank with London for the same reasons that lead most Englishmen to bank with a big clearing bank. An Englishman chooses a bank because he feels sure his money is safe, and because he knows he can always get it when he wants it. As a rule, he chooses a big bank, because its name

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is known everywhere, and a cheque drawn on it is accepted readily. This greatly simplifies his money transactions. Finally, he prefers that bank which is likely to accommodate him with a loan when he needs one. The very same reasons have made London the world's financial centre. London has always been thought the safest place in the world. You have only to read Bagehot to see how modern is the idea that defeat or invasion, or even war itself, need be considered as the possible cause of a financial crisis in London. It seemed impossible only a few years ago that the British fleet should be seriously challenged. More important still, foreign countries were satisfied that they could always get their money back when they wanted it and get it in gold. But these advantages, important as they are, would never have created Lombard Street without Great Britain's gigantic and world-wide trade. Almost before any other nation had started on the road English trade had penetrated into every corner of the known world, and with it the names of the great merchant bankers of London. For the exports from England had to be paid for, and they could be paid for most easily by buying bills which had been drawn on London by merchants as a means of obtaining payment for the goods they were importing to England. In this convenient way the one transaction was set off against the other. The sender of goods to England drew a bill on some well-known London house for the amount owing to him, and sold it to the man who had exported goods from England. The latter sent it in payment to the merchant in England from whom he had his goods. Thus both transactions were completed, and thus bills on London came to be more sought after than any other. They were known everywhere to be as good as gold. So great indeed is the prestige and worth of a London bill that it is used to finance not only English trade but a large portion of the trade of the world itself. It has become the chief form of international currency. The United States might be thought wealthy enough to finance their own trade. But New York

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possesses no discount market, and in any case the history of their banking system is too chequered for bills on New York to be an acceptable form of currency. The bulk of American trade with foreign countries is therefore financed by bills on London. If a rubber merchant in Brazil sends rubber to New York, he repays himself by drawing a bill on a London house. If a Japanese trader sends jute from Calcutta to Tokyo, he finances it through London; if a German firm in Hamburg imports coffee from Santos, the trade is generally financed in London. Thus, just as we saw that a bank's chief function was to supply currency to its customers, so London supplies the world with currency, without which the world's trade could not be carried on as it now is, and unlocks and makes available the wealth stored up in the goods in transit throughout the world.

Finally, just as an Englishman prefers an accommodating banker, so the world has favoured London, because London has always had money to lend. Everyone likes a bank where he can raise money easily on good security. London has been such a bank to the whole world. London has financed the world. She has supplied unstintingly all nations, both with her credit to finance their trade and her surplus wealth to develop their countries. A competent observer* estimates that to-day the investments of Great Britain in other countries reach the huge total of about £3,300,000,000.

His estimate in millions of pounds is as follows :

BRITISH DOMINIONS BEYOND SEAS.

	1896	1910	Increase	Decrease
India and Ceylon	294	430	136	—
Australasia	323	395	72	—
Africa	333	391	58	—
Canada	140	365	225	—
Other British Dominions	33	71	38	—
Total	1,123	1,652	529	—

* "British Investments Abroad." By Edgar Crammond. *Quarterly Review*, 1911.

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FOREIGN COUNTRIES.

	1896	1910	Increase	Decrease
United States	315	610	295	—
Argentine	117	292	175	—
Brazil	45	105	60	—
Mexico	27	73	46	—
Japan	13	69	56	—
Chile	29	44	15	—
Egypt	51	72	21	—
Uruguay	23	36	13	—
China	26	31	5	—
Peru	21	29	8	—
Cuba	5	23	18	—
Europe	254	151	—	103
Other Foreign Countries	43	85	42	—
Total	969	1,620	651	—
Grand Total, British Dominions and For- eign Countries	2,092	3,272	1,180	103

The catalogue of foreign securities quoted in the London Stock Exchange Daily List is indeed unapproached in any other financial centre. In comparison the Stock Exchanges of New York and Berlin are local affairs, and confine themselves almost entirely to the securities of their respective countries. France, it is true, invests largely abroad, but she is a bad second to London. Great Britain's annual foreign investments amount to about £200,000,000. France's probably to not half that amount. If it is our immense trade to which we owe our position as the world's bankers, that trade rests largely on our foreign investments. It increases and decreases regularly, as they increase or decrease. In a time of peril, they may prove the mainstay of our financial fabric.

In short London has become the banker of the world, because she has the largest trade, the greatest supply of

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capital and credit, the longest traditions of commercial fair dealing, a system of banking unrivalled for its elasticity, the freest market, and hitherto the completest immunity from attack. Naturally London does not act as universal banker and general middleman for nothing. It has been estimated* that our services in the domain of international trade and finance are rewarded by an annual gross income of not less than £50,000,000.

But while the profits are large the responsibilities and risks may be larger still. Is our supply of gold sufficient to carry them in a crisis of magnitude such as a war with Germany, for instance, would provoke? At such a moment it is only to be expected that our gold reserve will have to meet both an external and an internal drain. If it is clear that Great Britain's command of the sea is undisputed, the acuteness of the crisis will probably rapidly diminish, though, as we shall show, London would have still to deal with some serious problems. If, on the other hand, we were either defeated or in serious danger of defeat it is more probable than not that our credit system might not be able to meet successfully the demands upon it. The Bank of England would have to suspend specie payments; London's reputation would be very seriously damaged, and with her fall, international credit would enter on a period of chaos and confusion from which no country in the sphere of her influence would escape without heavy loss.

The only gold reserve in Great Britain is the sum of £35,000,000 or so lying in bullion or coin in the vaults of the Bank of England, together with the stock of metal held by other banks, in all, perhaps, £70,000,000. It is estimated that this sum is equal to not much more than 6 per cent of the total deposits of the banks of the United Kingdom. While the stock scattered about among the different banks is a valuable standby, the final reserve is the reserve of the Bank of England. That is the reserve to which all the banks in the United

* "British Investments Abroad." By Edgar Crammond. *Quarterly Review*. 1911.

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Kingdom look. The liabilities it carries mount up to many hundreds of millions, to so great a sum, indeed, that if depositors ever really lost their heads the reserve would vanish in a few hours, and the Bank Act would have to be suspended to allow a freer creation of bank notes, if, indeed, depositors at such a moment remained long satisfied with bank notes. All the smaller banks, and all the provincial and Scotch and Irish banks look to the great clearing banks for supplying them with gold in time of need, and the clearing banks look to the Bank of England. In the balance sheet of every clearing bank appears, among the assets, an item "Cash in hand and at Bank of England," the amount bearing, as a rule, a proportion of about 8 per cent to 10 per cent of the bank's liabilities. What proportion is actual cash in hand and what proportion "cash" at the Bank of England it is impossible to say, since the figures are not published separately. But it is tolerably certain that the "cash" at the Bank of England is more than 50 per cent of the whole. As a matter of fact this item is not really cash. It is not represented in actual fact by cash to the extent of more than one third. And, moreover, not even the clearing banks' "cash in hand" is really all cash. It is always, to some extent, composed of bank notes, which themselves are only partially backed by cash. "Cash in hand and at the Bank of England" consists itself, therefore, largely of credit, and on this basis the clearing banks build a further towering edifice. Moreover the Government itself has very large liabilities to the public. The deposits in the Post Office Savings Bank amount to about £160,000,000. It is true that the Savings Bank is more of a Trust Company for investment than a Bank. But it is different from other Trust or Investment Companies, in that its depositors may demand their money back on three days' notice. In a crisis many of them would probably withdraw their money, and if they demanded cash, cash could only be got from the Bank of England.

Notwithstanding these large domestic liabilities, a purely

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internal crisis without some external disturbing cause is unlikely. The art of banking is now too well understood in this country, and bankers enjoy unreservedly, and justly enjoy, the confidence of the public. In the past, internal crises were common. From time to time trouble of one kind or another may occur again, but the methods of dealing with it and of preventing any spread of the infection are now well understood. The banking system is too strongly established for any such crisis to bring about a complete collapse of credit. A storm, if it comes, will come from another quarter. It is our foreign creditors who will constitute the danger.

There is usually a vast deal of foreign money in London. It was shown earlier that the result of the modern credit system was to heap up masses of liquid capital in the great financial centres, a good part of which must be immediately available to meet any sudden liabilities, and that there is in consequence always a great mass of capital looking for investment in the world's short loan market. London has the largest short loan market because she has incomparably the most important discount market, due to her position as the world's clearing house, and, outside New York, the greatest market for the employment of money on the Stock Exchange. There is always, therefore, a large amount of foreign money temporarily vested in Lombard and Throgmorton Streets, and if the rates of interest and discount are more favourable there than they are in New York, Paris, or elsewhere, as is often the case, the sum runs into very large figures. Then again there is hardly a financial institution of importance in the world, which is not either directly or indirectly represented in London. An increasing number of foreign and colonial banks have opened their own branches there. There are now branches of twenty-eight foreign banks in London, representing a capital of about £100,000,000, and total assets of £716,000,000, while the assets of the Colonial Banks with branches in London, now stand at about £400,000,000. By their use of our credit system in the manner referred to below, these banks—and

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particularly the agencies of foreign banks—reduce the amount of their own money employed to a minimum. Nevertheless, in total that amount must be large.

But apart from this London has large liabilities to foreign countries of a more peculiar and perhaps more dangerous nature. London lends her credit to the world. She lends it indifferently to any nation, so long as the security seems good enough, and the method the borrowers employ is to draw bills of exchange on London. It has been already stated that bills on London are the chief international currency and an international means for balancing accounts. They are therefore employed for all transactions in which international currency is required. They are used for as many different purposes as there are kinds of financial and commercial transactions. They originated as a means of financing international trade, and that is still their most important function. The best bill of all is still the true commercial bill, because it is generally drawn to finance some article of universal consumption, for which there is always a market.

To explain more clearly the working of such a bill it may be worth while to take the case of an ordinary commercial transaction.

Suppose the agents in Brazil of a German merchant in Hamburg are shipping coffee to that port. The German merchant will have arranged with a London accepting house or bank, that he shall be given a credit. When the coffee is shipped, his agents draw a bill for the amount of its value on the London house with whom the credit is opened. Since it is a first-class London bill, any bank in Brazil will discount it, i.e. buy it. So the agents of the German merchant take it and the relative bill of lading to a Brazilian bank and receive from them the price of the coffee. Their part of the transaction is thus closed. They have shipped the goods and got their money. The Brazilian bank sends the bill of exchange and the bill of lading to its branch or agent in London, which takes them to the London house

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on which the bill is drawn. The bill instructs the London house to pay to the Brazilian bank or its London branch three months after it receives the bill, the sum thereon stated, i.e. the value of the coffee. The London House undertakes to do so, by "accepting" the bill, by signing its name across the face, in return for the bill of lading, i.e. the legal title to the coffee. Thereupon the Brazilian bank sells the bill to a bill-broker in the discount market and it also is now out of the matter, as it has received its money from the bill-broker. The bill-broker probably sells the bill to a Joint Stock Bank, or deposits it as security for a call loan made to him by a Bank, and in three months time the Joint Stock Bank or the bill-broker demands payment from the accepting house. Meanwhile the coffee has gone to Hamburg and has been sold, and out of the proceeds the seller is under obligation to remit to London the amount of the bill a day or two before the accepting house has to pay the Joint Stock Bank or bill-broker. This is a typical instance of hundreds of transactions which take place daily.

But commercial bills, while, perhaps, the most legitimate form of bill, are only one out of many forms. Very large credits are given by London for all sorts of purposes, other than commercial purposes, to all countries in the world, especially, perhaps, Germany and North and South America, and these credits are utilized by drawing bills. If a loan is made to a foreign country, such money, as is wanted there, is obtained by drawing and discounting bills on London, whether the loan is to a Government, a corporation or an individual. Bills are used, perhaps, most extensively of all simply as a means of borrowing money. The banks and accepting houses in London will grant credit, for instance, to German or American clients. These latter will raise their money by drawing bills on London for the amount they require. If they want the money in their own country, they will discount the bills there among their own moneyed men, who will in turn remit them for discount to London as and when they wish to replenish their coffers. If they want the money in London

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they will send the bills direct there and get them discounted in Lombard Street, and the proceeds credited to them.

Now bills on London are drawn not only on English and Colonial banks and institutions but also on the London branches of foreign banks. They are utilized, indeed, by the latter for raising much of the money they need for carrying on their London business, and for maintaining a balance there. From the point of view of the London money market there is, however, an important distinction between the two classes of bills. Those drawn on English banks and houses have behind them all the resources of those banks and houses; bills drawn on a foreign agency, e.g. by the Deutsche Bank in Berlin on the Deutsche Bank agency in London have behind them, so far as this country is concerned, only the resources which an English creditor, i.e. the holder of the bill, when it becomes due, can get at. He cannot get at the Deutsche Bank in Berlin; he does not know what resources of its own its agency in London keeps, nor does he know whether they may not be removed to Berlin and the London agency simply closed on the outbreak of trouble. This is perhaps too extreme a supposition to be taken seriously. Yet no one can be certain what a war might bring forth. And it is for such reasons that what are known as "foreign agency bills" are not taken as security by the Bank of England.

Thus much has been said about bills because it is important to recognize the nature of Lombard Street's liabilities in respect of them. Bills on London are the usual means of settling all forms of indebtedness between this country and the outside world, and are largely used by other countries also to settle debts as between one another. The Clearing House Authorities have estimated roughly that the amount of foreign and colonial bills paid in London in 1910 was £1,200,000,000. A great part of this sum was on British account, e.g. to finance British trade and undertakings, but probably more still was on foreign account, to finance foreign trade and undertakings. In return for commissions

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and other perquisites London, therefore, lends her credit to foreigners to the tune of hundreds of millions at a time. It is a profitable trade to make people pay for the use of one's name. But what does it mean? Let us examine the example given above. It was the Brazilian bank which was out of money at first until its branch had sold the bill in London. But it was the Joint Stock Bank or the bill-broker who were out of their money for the remainder of the bill's currency. They had in reality paid the Brazilian bank. The latter could withdraw its money from London on demand. The former would not receive their money through the accepting house from Germany for three months. And this is happening on an enormous scale daily with every country in the world. In the balance sheet of any Joint Stock Bank or discount house you will find an item "Bills discounted," running sometimes into many millions. These represent for the most part bills drawn abroad, whether on English or foreign institutions, which have been bought from all those institutions in London which deal with the outside world, whether they are the big private banking and accepting houses, merchants, foreign and colonial banks, or other Joint Stock Banks themselves. It is these resources of the Joint Stock Banks, always available for investment in bills, or for loans on the security of bills, which makes the great discount market of London possible, and all those who draw and discount bills on London have in reality borrowed their money for the term of the bills from those banks. The Joint Stock Banks are out of these millions of money until the bills which they hold mature in two, three, four or six months. Meanwhile the money so raised may be called from London without notice. London advances its credit in such a way that vast sums may be called from it without notice, whereas it will not receive the "cover" due for these sums until two or three months later.

The danger, therefore, of London's position is that foreign countries are always in a position to withdraw large

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sums from the London market, and to withdraw them in gold. Some of this money is money temporarily remitted to us; a great part of it is money raised on our credit, repayable after a certain period, but at any given moment withdrawable at notice. If our foreign creditors all want to be paid in gold at the same time, we should be unable to do it. Luckily, such a contingency need not even be contemplated, except on the outbreak of a serious war. Given time, we could pay our debts even then. The question is whether we should be given time.

What, then, is likely to happen on the outbreak of such a war? Suppose, for instance, Germany declared war against us. A crisis in the money market would be at once precipitated. Everybody would be seeking to place themselves in a position to meet their engagements. Money would dry up, and the bank rate would be forced to a high figure. At the same time there would be a tremendous fall in value of all securities on the Stock Exchange, so great a fall that the Stock Exchange might even have to be closed. Banks would have to "carry" their customers who had borrowed against securities, and would find a large part of their assets unrealizable. The discount market, i.e. the bill market, would be no better off. Business would be at a standstill, paralysed by suspicion. The value of a bill depends on the soundness of the "names" on it, and there would be no firm which might not be unsound in such a time. Our foreign clients, too, might in many cases have great difficulty in remitting us "cover" for the bills falling due accepted on their account. In the case of Germany itself, there would be some doubt whether we should be able to obtain payment at all. Under the English law war cuts off all intercourse between the subjects of the two countries at war, the payment of all debts between them is suspended until after the end of the war. Presumably the German law is not very different. It would appear, therefore, that the only way of settling outstanding debts between citizens of the two countries, would be for these

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debts to be assigned to third parties, or money remitted through third parties. No doubt all respectable houses would do their best to meet their engagements in one way or another. The question is rather whether they could do so.

London finances Germany by means of acceptances to the extent probably of about £70,000,000 sterling at any one time. This means that accepting houses in London will have made themselves responsible during the two or three months after the outbreak of war for the payment, mainly to the Joint Stock Banks, of £70,000,000 against bills drawn on German account, which these banks and others will have bought in the discount market. But the accepting houses would only be in a position to pay the whole of this large sum, if they receive, as they would in the ordinary course of affairs, the same amount from their German clients, to finance whose business the bills were drawn. It is quite probable that these clients would not or could not pay. It is probable that in any case, whether their money were received or not, the discount market would be so hopelessly disorganized that a "moratorium" would have to be declared. Otherwise every one would be compelled to call in his loans and liquidate his position in order to find the means of payment and, as every crisis has proved, that course would be fatal. The whole credit system rests on the supply of banking currency. If this currency is withdrawn no one can meet his debts, because no one has the means to pay. The whole money market would be struck with paralysis. As Bagehot said, all that would be left would be a mass of failures and a bundle of securities. In any case the sudden stop of the discount machinery would cause incalculable damage and confusion to trade and enterprise throughout the world. There is little doubt that in order to prevent internal demands from exhausting the Bank's resources the Bank Act would have to be suspended and a free issue of bank notes legalized. But bank notes are no good as an international currency, and everything therefore

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would depend on the action of our foreign clients as a whole. If they took fright and demanded immediate payment in gold, London might have to put up her shutters as a free gold market, simply through lack of time to save herself by the realization of some of her immense assets abroad.

We may hope, indeed, that matters would develop differently and that most of our foreign creditors would behave decently and would do everything in their power to help us. In addition to the great risks of gold transport there would be every reason why they should, just as there is every reason why an ordinary depositor should do his level best not to embarrass his own bank. The surest way of his losing money is for his bank to be compelled to close its shutters. So if London put up her shutters as the bank of the world, heavy loss and confusion would fall on all these countries, which utilize her services and whose credits and advances would not be renewed. It is hard to exaggerate the difficulties into which the whole financial world would be plunged, or to foresee how London's place could be filled. Confidence is a plant of slow growth, and no other centre possesses that combination of qualities that has given London her pre-eminence.

It has been suggested that if we were at war with Germany, the Germans might not shrink from the most extreme action in order to damage us, and withdraw, for instance, in gold all the money they had in London available. It is doubtful whether they would or could do so. In the first place, as stated above, the English law would forbid Englishmen to have any intercourse at all with Germans. Furthermore, their power to withdraw money would depend on the proportion of our liabilities to them compared with theirs to us. It implies, moreover, a concerted action on the part of all or most German firms. Presumably the gold withdrawn would be liable to capture, at any rate unless the transactions were carried out through some other nation. And lastly, any such action if successful would damage Germany almost as much as ourselves.

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It is certain, for instance, that a first-class war would of itself deal a heavy blow to Germany's trade and finance, because, if it is bad for a creditor not to be paid, it is still worse for the debtor not to be able to renew the loans, without which he cannot continue his business. That blow would be repeated with redoubled force in the world-crisis which would follow the destruction of London's credit system.

Behind our foreign creditors are our millions of depositors. How would they act, if the withdrawal of gold by our foreign creditors threatened completely to empty the vaults of the Bank of England? Would they still retain complete confidence in the value of a Bank note? In 1907 depositors in the United States hoarded many millions of gold. A supply of £200,000,000 was found quite inadequate to meet the demands. In previous internal panics in England the Bank's reserve has been reduced almost to nothing in a few hours.

The disappearance of the Bank's reserve would mean a temporary collapse of our banking system. The very extremity of the situation might bring its own remedy. People would be compelled to continue carrying on their business by means of cheques, or some emergency currency, simply because there would be no other means of carrying on life at all, even though they knew it was impossible to get gold if it were required. Nevertheless, the collapse of credit would be a tremendous blow to industry. To high prices and a food famine would be added a great mass of unemployment, which would seriously hamper us in continuing the struggle. From the purely banking point of view the fact that bills on London would no longer be unquestionably convertible into gold would be a great shock to London's position. Such bills are held all over the Continent by the great banking institutions, because they are as good as gold. It would be long before confidence in them was again restored and meanwhile London's rivals might have begun to establish themselves in her place.

Our safety therefore depends on our being given a breathing

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space to adjust ourselves to the new conditions. If time is given there is no doubt that London has the power to draw all the gold she wants from other countries. The Bank of England authorities have recently said that, so far as the Bank's experience goes, the raising of the bank rate to a sufficient level, which means, in other words, that money can be employed more profitably in London than other centres, never fails to attract gold, provided the higher rate is kept effective. It acts both to prevent gold leaving the country and to attract gold to it. The floating supply of money in the great centres is attracted towards the highest rates as certainly as water flows to a lower level. Sometimes the stream does not flow freely at the start. The central banks of the Continent are loth to part with their gold and sometimes make difficulties until the rate in London has reached a figure which threatens disturbance to their own financial position. Yet gold comes more easily to London than anywhere else, as was apparent in the American crisis of 1907, the greatest external strain to which the Bank of England has been subjected. America in her eagerness for gold was drawing millions from London, and if London could not get it from elsewhere her position would become serious. But she did get it from elsewhere. The Bank rate was gradually raised to 7 per cent, and gold flowed in from 24 different countries. The flow of gold was aided by a recognition on the part of the leading continental authorities that London's cause was their own, and that they must come to London's aid if they wished to save their own skins.

In a war crisis, however, to raise the Bank rate might not be so effective, since a distrust of London's capacity to hold out might be prevalent, and since no one would care to risk sending gold there. Moreover, it is to be remembered that London might be deprived of the South African gold, which might easily find Paris or New York a safer destination. At the same time the assets of the British nation abroad are so immense that if they were under

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the necessity of realizing them, it is difficult to suppose they could not draw gold to London. They might not even have to realize these assets; it might be enough simply to stop the export of capital. Gold would flow in then to pay for the interest on our present investments, which amounts to something like £180,000,000 per annum.

The most dangerous period, therefore, will be the few days or weeks after the declaration of war, or if it was quite clear war was inevitable the few days before that declaration, when our enemies might attempt to withdraw as much money as possible. What happens will depend upon the coolness of our own people, and the view which foreigners take of our strength. If we are defeated a financial collapse can hardly be averted. So long as we are reasonably secure against defeat we ought with luck to be able to pull through, shaken no doubt, but not permanently damaged. If we are victorious, we shall have ample time to convalesce. It is hardly necessary to draw the moral. The British fleet is the best protector of London's gold reserve.

III

IF the foregoing analysis is at all correct, the development of the financial crisis that an outbreak of war must bring would depend on the way it was met at the outset. A few millions, more or less, might make the difference in our ability to meet it without the necessity of suspending cash payments. If, therefore, our reserve of gold is, as is generally admitted, rather uncomfortably small, there would seem every reason to insure ourselves more securely against risk by increasing it. The Bank of France holds gold to the amount of £128,000,000; the Bank of Russia, £125,000,000; the Reichsbank £55,000,000; while the Bank of England, with world-wide liabilities, has only £35,000,000.

The size of our reserve is not the result of design, but of accident. In 1844 Parliament, impressed by the evils of an over issue of bank notes practically limited the privilege of issue to the Bank of England, and determined that the Bank

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should not issue any notes over a certain amount (now about £18,000,000), unless gold to an equal amount was deposited in its vaults. Bank notes were then the basis of credit, and Parliament wished to clip its wings. It is not worth while now asking ourselves whether that act was wise or stupid. But it is worth while noting, that though originating in profoundly different conditions and in course of time wholly nullified in its intentions, that Act is the sole regulator of the size of our gold reserve to-day. It was not long before the City discovered a means of circumventing the intention of its authors. Cheques took the place of bank notes, and though credit liabilities under this new system soon far exceeded those under the old, the law was silent as to maintenance of an increased reserve. If the cheque had not been invented, and we had been restricted to bank notes, a huge reserve would have by this time been stored in the Bank. In other countries, in France, Russia and Germany, the gold reserve is also, as in England, based on the note issue. It is much larger because notes are still used and not cheques. In England, the note issue, though still regulating the reserve, has ceased to bear any important relation to the amount of credit. But, while the size of the reserve is thus determined by an obsolete law, that law has completely failed to determine how much credit shall be manufactured on the basis it lays down. It prescribes the size of the foundations, but sets no limit to the superstructure. The Bank of England determines the amount of credit to some degree, but to a much greater degree the other banks, large and small, and with them the accepting houses. For the banks, as we saw, supply the currency in the form mainly of book-credits, against which cheques may be drawn. The overwhelmingly greater proportion of money transactions in England are settled by means of cheques and bills. Bank notes are negligible as currency, and perhaps not more than 1 per cent of our daily business is settled in gold. Now every credit or advance given, since it creates, somewhere or other, an equivalent deposit, creates, equally, a possible claim

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against the gold reserve, and thus the responsibility for maintaining an adequate gold reserve—or, more correctly stated, for seeing that the manufacture of credit is kept within reasonable bounds—rests with bankers, large and small. Diffused responsibility is never felt very keenly, and it is somewhat disconcerting to find that while nearly every leading banker will admit that credit is often manufactured too freely and that our cash reserves are not as large as they should be, the banking community, as a whole, does not seem inclined to adopt the obvious remedy. That remedy is that the banks, as a whole, should either reduce their credit liabilities or increase their cash holdings. Other specific remedies have often been suggested, the repayment by the Government to the bank of its debt of £11,000,000, the origin of which dates back to William III; the issue of £1 notes; the maintenance of a cash reserve by the Post Office Savings Bank. Some of these would certainly help. But most important of all is the recognition by the banking community as a whole that, if credit, as they say, has outrun gold, the true remedy lies to their hand.

The difficulty is that it is nobody's business in particular to take the first step. We have "drifted" down this stream, as down so many others, and with such brilliant success hitherto, that we may be lulled into a false security. In normal times the credit machinery does certainly work extraordinarily well. It is a marvel of economy, delicacy, and elasticity. The question is whether it does not work too well. If we tried, we could no doubt in times of peace make it a still greater marvel of economy and delicacy, and work with a still smaller reserve—just as a man may, for many years, defy the risks of fire and accident. But nobody supposes we should be wise to do so. Our danger, as we have pointed out, is that a crisis may bring a sudden and unbearable strain on our liquid resources, without giving us time to realize our immense assets. It is not suggested that any system adapted to peace can be wholly satisfactory in war. We might as well live under perpetual martial law in times of peace. But there

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is at least a case for minimizing our risks. And if, despite their misgivings, bankers will not, or cannot, make up their minds whether anything ought to be done it is the duty of the Government to make a careful inquiry into the matter. Legislation is indeed too clumsy an instrument for our needs. What is needed is a full investigation as to the best means of quickening the banking and financial community, as a whole, to a sense of their responsibilities, and of preparing the Government for such steps as they may have to take on the outbreak of war.

IV

IT is clear that every country having commercial or economic relations with Great Britain would suffer seriously in the general welter of confusion brought on by a collapse of credit in London. The closer their relations, and the more dependent they were on London for capital, the worse would be their state. No countries would suffer more than the British Dominions beyond the Seas. This hard fact, of which there can be no doubt, runs counter to some comfortable doctrines, somewhat widely held in those countries.

There are a large number of people in all the Dominions, except South Africa, who regard war as an anachronism, indulged in only by mediæval European nations, and easily to be avoided by the exercise of a little common-sense. They are led on to the comfortable belief that, since it is foolish to fight, and since Europeans are, after all, reasonable people, therefore there is no danger of their fighting. And in any case, they conclude, no great harm can come to those who live on the other side of the ocean. Might it not be as well to let the old world settle its differences by itself?

This is a comforting, but vain belief. Any nation, which thinks that by determining to take no part in war it will be unaffected by its consequences, is living in a fool's paradise. You cannot eat your cake and have it. You cannot both belong to the modern world and not belong to it. A nation

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which enjoys the advantages of international trade and credit, cannot at will cut the threads which bind it to other nations. No Dominion can hope to escape serious damage if Great Britain is hard pressed in a great war. Their trade is very largely—in the case of all except Canada, preponderately—with England. Just like other countries they treat London as their banking centre. All their big banks have branches in London. They keep a great deal of money there. They borrow London's credit. Their own banking system is largely dependent on London; their means of financing their imports and exports almost wholly so. The large supply of new capital which London gives them yearly is to Canada its life-blood and to all of them of great importance. The majority of them have few resources of their own to fall back upon. It is not indeed necessary to presuppose any such disaster as the defeat of our navy to see that the Dominions must suffer with us in time of war. They must suffer with us whatever our fortunes. If we are victorious, their troubles may not last long. But they will grow more acute the more uncertain become our prospects. A first-class war is bound to bring with it, at best, a great dislocation of trade, a great restriction of credit, and a great destruction of capital. The worse matters go for us, the worse will the machinery be thrown out of gear. Not only will the dislocation of our trade and our financial system dislocate those of the Dominions too, but the springs of capital will dry up. London will have no money to spare them and it is doubtful whether, at such a moment, other countries, not excluding even the United States, would be able to fill London's place. New countries which are rapidly expanding always suffer from trade and monetary depression more than old ones, just as an unfinished house is bound to suffer if the money gives out before the roof is on.

Capital in a new and expanding country is not spent to provide for the population that is already there, but for the population that will be there. Railways and roads are built, shops and stores opened, townships laid out, and

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factories equipped far beyond the needs of the existing inhabitants. Prices for land rise quickly. A general optimism prevails and the future is gaily discounted. But the whole structure depends on a constant supply of capital. Unless the expenditure of capital goes on, great numbers of men will soon be out of work. And if there is no work to do, the expected immigrants will certainly not come. And if they do not come the railways and factories, and stores will not pay, and the speculators in real estate, at inflated prices, will be unable to hold on to their property. Pessimism will succeed optimism, and depression will be proportionate to the height of former expectations. It will be intensified if, at the same time, their banking system is deranged, the chief market for many of their products stagnant, and their commerce the prey of a hostile fleet. Naturally the Dominions would not all suffer equally. Australia is more self-supporting in the matter of capital than Canada, and for reasons which do not concern us here, her rate of progress is markedly slower. South Africa and New Zealand have given fewer hostages to fortune. In the last three years Great Britain has raised, by means of public issues in London, irrespective of capital employed privately, for Canada, £103,000,000; for Australia, £29,000,000; for New Zealand, over £7,000,000; and for South Africa, £30,000,000. From the figures given on page 262, it will be seen that Great Britain has invested in the Empire no less than £1,652,000,000 of which Australasia has taken £391,000,000 and Canada £365,000,000. This is probably a conservative estimate. And Great Britain has not only provided this mass of capital, but provided it on more generous terms than she has afforded to any other borrower. Sentiment has led the British people to supply their own fellow-subjects oversea with money at least 1 per cent cheaper than foreign countries, and Sir Edgar Speyer calculated recently that the annual interest saving to the Dominions and Dependencies is at least £10,000,000, a very handsome preference. In other words for the same payment of interest

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these countries have been able to raise £250,000,000 additional capital. Moreover, to the detriment, be it said, of Consols, Great Britain has added to her list of Trustee Stocks about £650,000,000 of Colonial and Indian Stocks and thus enabled the Dominion, Provincial, and State Governments of the Empire to raise money on far more favourable terms than would otherwise have been possible. When questions are raised as to the return which Great Britain gives to the trade preferences of the Dominions, the enormous advantages the latter gain by the preferential treatment of their issues, both by the people and the Government of Great Britain, should not be forgotten. If some great convulsion checks the flow of capital from Great Britain no other lender will be found from whom such terms can be obtained.

It is clear, therefore, that in their measure every British Dominion would suffer with Great Britain, and it would seem that, even if no loftier motives swayed them, self-interest alone should lead them to spend every penny they can afford on placing beyond question the supremacy of the British flag at sea.

Yet there is a risk lest both the danger itself and its nature should go unrecognized in the Dominions. In those far lands the very idea of war has become unreal. Sheltered by the British flag from the pressure of hard facts, remote from the conflict of nations, these favoured communities have forgotten that a nation may still be called upon to fight for its liberties and its place in the world, and even for its very existence. War, they say, is obsolete. Are they so certain about it? Are there no causes for which even the most up-to-date and reasonable nations would draw the sword? Would the Australians confine themselves to protest while the Chinese landed in their millions in the Northern Territories, or Canada be content merely to reason while the Asiatic flood poured into British Columbia? No attempt has been made in these pages to minimize the lamentable effects of a great war on the material well-being of the

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nations involved. In modern times both victor and vanquished must suffer heavily. But, while considerations of material loss will, and should, weigh heavily against war, they will never be decisive. War threatens the world still, because its nations are still rooted in the past. There are still profound differences of language, tradition and ideals even between the nations of Europe, while between the black, yellow and white races are gulfs which may never be bridged. In each nation these forces of language, tradition and ideals are fused into a national spirit, for which in the English language there is no word nearer than patriotism, but which the Germans call *Deutschtum*, that national idea for which every good German is taught to die. So long as these deep national differences persist, so long is there a danger that they may clash in their effort to live and to expand. Some day they may be merged into a wider patriotism, but that day will not come in our time. War, then, is not all a matter of pounds, shillings and pence, and the problem is not wholly solved, when you have shewn that every war must leave both sides poorer than they were before. Does England grudge the money which Chatham spent on the conquest of Canada? Germany did not fight France in 1870 to make money, but to become a nation; the ideals for which Garibaldi fought are none the less splendid because they cannot be weighed in a balance sheet; neither the Northern nor the Southern States of America hesitated in 1865 to defend principles which they held sacred, nor were deterred by the reason, unanswerable in logic, that war must inevitably involve incalculable material loss. Japan did not fight Russia in 1905, because she believed Korea would be a profitable possession, but because she felt, rightly or wrongly, that Russia, established across the narrow sea, would cramp the freedom of her national life. England did not fight in South Africa in 1899 because she thought that the Transvaal and the Free State would pay their way, but because she could not in honour desert her own people and because she deemed it of vital im-

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portance that British freedom and British institutions should not vanish from that wide land. The Boers loved their own customs and institutions with equal intensity. It was a clash of national wills and national ideals not to be avoided. The Germans are sore now because they feel that *Deutschtum* has not got its fair place in the world. They want colonies, not in order to make money out of them, but in order to spread German civilization, which, in their eyes, is more valuable than anything else in the world. If the British people had been wholly guided by reason, they would no doubt have hesitated as to whether the life of even Gordon was worth the millions spent on the expedition to relieve him. But they knew they would have been dishonoured had they counted the cost. It is well for us to remember the tremendous liabilities in which war will involve us, so that we may soberly weigh the issues involved and make sure that they are vital. But when they are vital, the cost will weigh light in the balance against the maintenance and defence of the British realm.

THE DECLARATION OF LONDON*

THE rejection by the House of Lords on December 13 last of the Naval Prize Bill, on the motion for second reading, is a matter of interest to others besides those who can claim to walk confidently among the complexities of international law. The action of the Upper House will no doubt be represented, should the exigencies of party warfare demand it, as yet another drop in the brimming cup of their Lordships' iniquities. But the story of the constitutional conflict between the two Houses of the British Parliament is becoming an old tale, and what invests the proceedings of December 13 with their special significance is not that they provide one more instance of the conduct of which Liberals complain, but that they seem to some extent to indicate a departure from a recognized tradition of British public life. That tradition is that foreign affairs lie outside the arena of party strife, that generally speaking both parties preserve a continuity of policy with regard to them, and that in this sphere at least it is not ordinarily the duty of an opposition to oppose. In this respect, of course, the action of the Lords in throwing out the Naval Prize Bill does not stand alone. The Bill was fought in both Houses of Parliament, in the main, on party lines, and the battle raged round an important international agreement, deliberately concluded by the British Government with the other Powers, which agreement, however, the Government had undertaken not to ratify and thus to make binding as a matter of treaty obligation until Parliament should have had ample opportunity of discussing it. The contentiousness of the Naval Prize Bill lay in the fact that it purported to give power to the Government to ratify the Hague Convention

* Contributed. This article is written from the point of view of those who approve of the Prize Court Convention and the Declaration of London. The Editor of the ROUND TABLE does not make himself responsible for the opinions expressed.

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of 1907, for the establishment of an International Court of Appeal in matters of naval prize, and that the ratification of the Declaration of London, setting forth the rules to be followed by that Court respecting the rights and duties, *inter se*, of belligerents and neutrals in time of war, would have followed upon its passage. The Conservatives held that the Declaration would leave the British Empire, whether as belligerent or as neutral, in a worse position than that in which it stands to-day. The Liberals maintained that such changes in our position as the Declaration would effect would be changes for the better.

We have said that it is a matter calling for remark and indicative of a departure from a recognized tradition that the division should have been, in the main, on party lines. By this it is not intended to imply that the actions of the Government of the day, in foreign affairs, should be beyond the reach of criticism, or that it is not the right and the duty of any member or group of members of Parliament to protest, if they consider that foreign affairs are being mismanaged. But it is meant that such protests should be, and as a rule are, based on individual study of the questions involved on their merits and not recorded as a matter of course at the bidding of the party whip. Again it is not meant that the Government expected any party advantage from the Declaration of London, or that the leading Conservatives who opposed it had not devoted careful and candid study to the matter. The very fact that the Conservative leaders departed for once from their usual attitude in foreign affairs bears witness to the genuine strength of their feeling on the subject. The fact that one or two Liberals openly took the Conservative side, and that in the divisions on the Naval Prize Bill in the House of Commons the Liberal majorities fell a long way below the normal, proves that the arguments of the Opposition were not without their effect. It remains true, however, that the fight was, broadly speaking, a party fight, and it would be asking too much of our credulity to invite us to believe that every member of the rank and file on either

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side who supported their chiefs had undergone the same painful process of study as they had and had independently arrived at the same conclusion. If so much be admitted it follows that their party allegiance determined the attitude and the votes of many, at least, of the members of both Houses.

The Declaration of London in itself was obviously not the work of party men. The Government of the day was responsible for it, of course. But no question of ordinary party controversy was raised by it. It was the work of expert non political officers whose names are appended to the text of the Declaration, and it came before Parliament bearing the *imprimatur* of the Imperial Conference, which body had approved of it by an almost unanimous vote, the representatives of Australia alone abstaining. Circumstances so unusual seem to make it desirable to lay before the readers of the ROUND TABLE a brief account of the history of the Declaration of London, and of the controversies to which it has given rise.

One of the acts of the Second International Peace Conference held at the Hague in 1907 was the conclusion of a Convention for the setting up of an International Court of Appeal in matters of prize. As things stand to-day the only remedy possessed by the owner of a neutral vessel or cargo who is aggrieved by an act of a belligerent affecting his property is to bring an action against the belligerent Power in its own Prize Court. This, as is natural, and as experience has proved to be the case, is an unsatisfactory remedy at the best. The views taken by different Powers as to the rights and duties of belligerents and neutrals differ considerably, and the Prize Court of a belligerent is naturally prone to adopt the views of its own government. The neutral ship or cargo owner is thus virtually in the position of a plaintiff having to submit to the judgement of a defendant in his own cause. The purpose of setting up the International Court of Appeal was to provide a means of escape from this state of things and to secure that a neutral, dissatisfied with

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the judgement of the Prize Court of a belligerent, should be given the opportunity of having his case heard by an impartial tribunal.

No corresponding right of appeal from its own Prize Court was given to the belligerent Power itself. The Court of Appeal was to be governed by the provisions of any treaties that might exist, and in the absence of treaties to "apply the rules of international law." If no generally recognized rule existed the Court was to "give judgement in accordance with the general principles of justice and equity." But, as has already been observed, divergent views are held by the nations of the world on the matters which would form the subject of appeals to this Court. In other words there are many important subjects on which there are no universally recognized "rules of international law," and it was felt by the British Government that "The International Prize Court would not meet with general acceptance so long as vagueness and uncertainty existed as to the principles which the Court, in dealing with appeals brought before it, would apply to questions of far-reaching importance affecting naval policy and practice." *

The British Government accordingly, early in 1908, issued invitations to the Governments of the other Powers to send representatives to a Conference in London, with the object of arriving at an agreement upon these principles, and of formulating a code of rules which it should thenceforth be the duty of the International Prize Court to apply. The Conference was not to invent a whole set of fresh rules, but, so far as possible, to produce from the chaos of conflicting views held to-day a single orderly body of law upon which all the Powers might agree. The Conference met in London in December, 1908, and by the end of February, 1909, produced the result of its labours in the shape of the document known as the Declaration of London† which formulates rules, stated to "correspond in substance with

* Parliamentary Paper, Cd 4554, p. 1. † *Loc. cit.*, pp. 73 *et seq.*

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the generally recognized principles of international law," under the following heads :

- I. Blockade in time of war.
- II. Contraband of War.
- III. Unneutral service.
- IV. Destruction of Neutral Prizes.
- V. Transfer (*sc.* of an enemy vessel) to a Neutral Flag.
- VI. Enemy character.
- VII. Convoy.
- VIII. Resistance to search.
- IX. Compensation.

Together with the text of the Declaration itself the Conference presented to the Powers an explanatory commentary upon it, intended to serve as an authoritative guide to the officers or courts who might be called upon to apply it. This commentary has come to be known as the Renault report, from the name of the eminent French jurist who acted as reporter of the Drafting Committee of the Conference.

Considerations of space preclude any attempt at a detailed summary of all the heads of the Declaration, and it will be necessary to confine our attention to those which have been made the subject of acute controversy. But first it is interesting to notice that the storm which has raged so fiercely was somewhat long in gathering. The text of the Declaration, and the papers accompanying it, were laid before Parliament in March, 1909, and despite the attention which naval matters received in that year the voice of criticism, so strident since, does not appear to have made itself generally heard till the middle of 1910. The critics fall into two classes. The first are those who, in reality, object to the existence of any rules at all, internationally agreed upon, for the conduct of naval war. These critics would have Great Britain, as the strongest naval power, free to make her own rules for herself as she pleases when at war,

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and to impose them by her superior strength upon all the nations of the world. They sigh, in fact, for a return of the days which followed the Battle of Trafalgar, when the British fleet, having no rival worth mentioning, patrolled the seas at will and imposed the dictates of the British Government upon all and sundry. This was no doubt a highly desirable state of things—for ourselves—but it presupposes a fleet strong enough to overcome the combined fleets and to disregard the hostility of the whole of the rest of the world. No modern Government can aspire to such a position of superiority over its neighbours and the view just described (of which Mr T. G. Bowles in his book *Sea Law and Sea Power*, published in November, 1910, has been the foremost exponent), neglects the general development of naval power and of peaceful sea-borne commerce that has taken place in the last 100 years. Indeed this view is at least fifty years out of date. It springs from hostility not so much to the Declaration of London as to the Declaration of Paris of 1856, the instrument by which, as the result of the first great effort to frame international rules regarding maritime war, privateering is condemned and the immunity from capture of goods (not being contraband) belonging to an enemy, when carried in a neutral ship to a neutral port, is assured. The Declaration of London indeed represents an attempt to complete the work which the Declaration of Paris began.

The second and larger class of critics do not object to the purpose of the Declaration of London, but charge it with grave sins both of commission and of omission in the carrying out of that purpose. The earliest and in some respects the most formidable of these critics were certain important Chambers of Commerce, the foremost among them being that of Glasgow, whose lively controversial correspondence with the Foreign Office covers the period from August to November, 1910, and was published in the latter month in a Parliamentary Paper (Cd. 5418). Their protests were followed by others, more or less similar, from many other

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similar bodies. At a later stage a number of distinguished admirals, with the traditional courage of their calling, set sail upon the perilous seas of legal controversy and raised loud voices of denunciation, to which was added in due course the shriller note of sundry patriotic societies and of the Daily Press, the whole chorus eventually mingling with the general roar of the battle of the party politicians. It would be impossible within the limits of an article to survey in detail the whole field of the dispute. Some mention of the main points of it must suffice. The discussion was focussed principally on the provisions of the Declaration with regard to contraband of war and the Destruction of Neutral Prizes, and on the question of the legality, or otherwise, of the conversion of merchant ships into ships of war and their reconversion into merchant ships on the high seas.

I. As regards Contraband of War the Declaration of London sets out three detailed lists of articles of commerce :

- (a) Absolute contraband.
- (b) Conditional contraband.
- (c) Articles which may not be declared contraband.

(a) The articles which fall within the category of absolute contraband are such as are exclusively used for purposes of war, for instance rifles and ammunition. Absolute contraband becomes liable to capture by a belligerent if it can be shown to be destined to territory belonging to or occupied by the enemy, or to the armed forces of the enemy. It does not matter whether the goods are being conveyed direct to the enemy's territory in the vessel in which they are found, or whether they are intended to be transhipped or to be landed at a neutral port and conveyed to their destination by land. In technical language the "doctrine of continuous voyage" applies to absolute contraband.

(b) Within the category of conditional contraband fall

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articles which are susceptible of either warlike or peaceful use. Such articles become contraband *if they are destined for the armed forces or for a government department of an enemy*, but they are not contraband if destined for the civil population of the enemy state. The most vitally important of such articles are foodstuffs, and it is round the question of how the Declaration of London will affect the supply of foodstuffs to Great Britain in time of war that controversy has most fiercely raged. Article 34 of the Declaration provides that there shall be a legal presumption (which may however be rebutted), that goods comprised in the list of conditional contraband are destined for the forces or government of an enemy—*i.e.*, that they *are* contraband—if they are consigned to enemy authorities or to a contractor* (*commerçant*) in the enemy country, who, as a matter of common knowledge, supplies articles of that kind to the enemy's government, or if they "are consigned to a fortified place belonging to the enemy or other place serving as a base for the armed forces of the enemy." This means that, in such a case, the onus of proving that the goods were not destined for the enemy's forces, *i.e.*, that they were *not* contraband, rests upon the owner of the goods. In any other case the onus of proving that the goods were contraband rests upon the captor.

Conditional contraband is not liable to capture except when found on board a vessel actually bound for enemy territory or armed forces, and when it is not to be discharged at an intervening neutral port. In other words the doctrine of "continuous voyage" does not apply to conditional contraband.

(c) The Declaration establishes a "free list"—*i.e.*, specifies a number of articles which may in no case be declared contraband. This is a new departure in International law, and is designed to lessen the dangers of war,

*"Contractor" is the word used in the official translation. The word "merchant" would be more accurate, but the point is not of much practical importance.

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as affecting the neutral trader, by giving him security that, in so far as articles on the free list are concerned, he may ply his trade without risk of interference by belligerent war-ships.

Hitherto it has been the practice of the nations of Europe on the outbreak of war either to publish lists of actual articles which they would treat as absolute or conditional contraband, and to vary these lists from time to time, or to define, more or less strictly but in general terms, what meaning they would attach to the word "contraband." The result has been much uncertainty, and a feeling of great insecurity and perplexity in the minds of neutral traders who, with the best will in the world, could not be sure what view a belligerent would take of their operations. It is claimed for the provisions of the Declaration summarized above that they do introduce some measure of certainty into the matter. If the Declaration were accepted all round, traders would at least know in advance that certain definite articles would always be absolute contraband or would always be conditional contraband or would always be exempt from interference. Nor would the rights of belligerents be unduly restricted; for the Declaration permits them, on giving due notice, to add other articles beyond those mentioned in the Declaration itself to the lists of absolute and conditional contraband, provided that such articles are, in the first case, exclusively used for war, and, in the second, susceptible of use in war as well as for purposes of peace.

But no part of the Declaration of London, as has already been indicated, has been attacked more fiercely than the chapter relating to contraband. There has not been much criticism of the provisions in regard to absolute contraband, but those which touch the supply of food stuffs in neutral vessels have even been regarded, in some quarters, as tending towards the starvation of the British Isles in time of war—a view, it may be observed in passing, which is scarcely complimentary to the British fleet. No foodstuffs, so runs the argument, will, in practice, be allowed to reach our shores in neutral vessels when we are at war. Yet it will be of

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special and vital importance that such neutral vessels should arrive safely, for the risk to British merchant vessels involved in crossing seas infested with hostile commerce destroyers will be so great that the trade in importing the foodstuffs from oversea, without which the population of these islands cannot exist for more than a few weeks, must necessarily be, in great measure, transferred to neutral bottoms. But foodstuffs are made by the Declaration conditional contraband, and they become actual contraband if the vessels carrying them are consigned to any place "serving as a base for" our armed forces. Inasmuch as Great Britain is a comparatively small island, every portion of which is linked to every other portion by a complete network of railways, there is no port on its coasts which cannot, and will not, be regarded as a place "serving as a base," especially as the word "base" is explained in the Renault report (see above, page 289), as meaning a base "whether of operations *or of supply*." In practice, therefore, the Declaration of London will operate upon us as hardly as though food were declared by it to be absolute contraband. Foreign military text books, based on the opinions of eminent generals, can be quoted in support of this view. But the argument rests on a two-fold misconception. In the first place (as will be observed on reference to page 292), conditional contraband is not made actual contraband by being consigned to a "fortified place" or to a "place serving as a base for the armed forces of the enemy." Conditional contraband, under the Declaration, is liable to capture (*i.e.*, becomes actual contraband), only if it is destined for the use of the armed forces or of a government department of the enemy state. Such destination must be proved before the cargo can be condemned. The fact of the cargo being consigned to a fortified place, or a "base," does indeed shift the onus of proof of his contention from the shoulders of the captor on to those of the neutral cargo owner. But that is all. In the second place, with all due respect to the authors of the foreign military text books above referred to, who, after all,

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are generals and not judges, it is straining the language of the Declaration too hard to contend that because every part of Great Britain is in railway communication with every other, therefore every place is a "base," *e.g.* that an unfortified port, say, on the west coast of Scotland is a "base" for armed forces massing at Aldershot. The words used in the Declaration must mean a place primarily devoted to military purposes, and the view of the British Government is that they would assuredly be so interpreted by any impartial Court. The reply usually made by the critics of the Declaration to these considerations is that they may be all very well as matters of law, but that the commanders of hostile cruisers will not stay to discuss the niceties of jurisprudence. Their duty, if their country is at war with Great Britain, is to help in the work of starving her into submission. They will capture or sink the neutral food carriers first and discuss the legality of the proceeding afterwards. If necessary their Government will pay compensation to the neutral cargo owner, at some undefined date long after the war is over. The justice of this remark may be admitted, and its common-sense is undeniable. But it is no criticism upon the Declaration of London, for it merely describes a state of things which we have to face whether the Declaration is ratified or not, and to which the Declaration makes no difference whatever; indeed, if it affects it at all, it affects it in a manner favourable to ourselves. The view of this matter taken by the British Government itself, based upon the decisions given in the past by British Prize Courts, and expressed in a Memorandum circulated to the Powers before the meeting of the Conference which drafted the Declaration, is that "there is a presumption that conditional contraband is on its way to assist in the operations of the enemy . . . if there is proof that its destination is . . . for some place of naval or military equipment in the occupation of the enemy."* Now it does not seem to be possible to establish any distinction between

* P. 4 of Cd. 4554.

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a "place of naval or military equipment" and "a place serving as a base for the armed forces" (in the language of the Declaration), or "a place used as a base, whether of operations or of supply, for the armed forces" (in the language of the Renault report). It thus appears that the effect of the ratification of the Declaration of London would merely be to secure the universal adoption of what is already our own doctrine in this matter. Doubtless our food supplies would be exposed to dangers under the Declaration when we were belligerent, but to no greater dangers than they would be in any case, even if all the other Powers accepted our view. And, as a matter of fact, they do not accept our view. France in her war with China in 1885, claimed the right to treat foodstuffs as absolute contraband, and Germany declined to associate herself with Great Britain in protesting against her doing so. Austria and Russia too have maintained that such action may be properly taken. There can, therefore, be no doubt that, the Declaration of London not being ratified, any of the principal powers of Europe, if at war with Great Britain, might declare foodstuffs to be absolute contraband, and thus liable to capture even if admittedly destined only for consumption by the civil population. The food supplies of the civil population carried in neutral vessels would, therefore, gain some measure of protection from the Declaration when Great Britain was belligerent, and Great Britain's carrying trade in foodstuffs would correspondingly gain when Great Britain was neutral. It is true that the neutral carrier's security, such as it was, would rest only on his claim to receive compensation from the captor for cargo wrongfully captured, which compensation he would probably only get, if at all, some considerable time after the war was over. But that is his position to-day, and he would have at least a better chance of compensation if he could appeal from the decision of the captor's Prize Court to an International Tribunal than if he could not.

The only answer which has been attempted to the fore-

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going line of argument is that it is, in practice, safer to trust to the diplomatic pressure which a neutral, engaged in the highly profitable business of supplying the civil population of a belligerent state with foodstuffs, can and will exert on the other belligerent not to interfere with his business unduly, than to rely on the distant prospect of compensation to be obtained through a decision of the International Court of Appeal. Such pressure will not be exerted, it is urged, if the Court of Appeal is in the background because the neutral government will be bound by its treaty obligations to refer its aggrieved shippers to that court. Experience, however, shows that to rely on the diplomatic pressure of neutral governments in this matter is to trust in a bruised reed. When, for instance, the Russians, in the course of their war with Japan, seized certain British merchant vessels, wrongly as the British Government maintained, the British Government protested, but was no more prepared than any other Government similarly situated would be to support its protest with armed force—in other words, to go to war rather than allow a few aggrieved traders to seek their remedy in the prize court of the belligerent.* As things are, a neutral government has no ground for interference until compensation has been definitely refused to its subjects; and

* See Parliamentary Paper, Cd. 6010.

When the British steamship *Oldhamia* was destroyed by an officer of the Russian cruiser *Oleg* in 1905, the Libau Prize Court rejected the claims for compensation of the Manchester and Salford Steamship Co. and the Standard Oil Co., on the ground that the *Oldhamia* was conveying a complete cargo of distilled naphtha to a Japanese port, and that distilled naphtha was contraband of war under the Russian declaration of 1904. This judgement was appealed against, but was confirmed two years later by the Supreme Prize Court. In 1910 diplomatic pressure was put upon the Russian Government to compensate the owners of the *Oldhamia* or to submit the case to arbitration, but both demands met with a definite refusal; and in answer to the protests of the ship-owners and the Manchester Chamber of Commerce at the failure to enforce their claims for compensation, the British Foreign Office pointed out that "failing the establishment of an International Prize Court, there are no means of redress in cases in which the decisions of National Prize Courts are unsatisfactory."

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to postpone active measures until after the belligerent's prize court had given an adverse decision would be to postpone them until the public feeling excited by the action complained of had had time to die down, so that a war policy would be bound to fail for lack of popular support. The conclusion, then, seems irresistible that the position of neutral traders engaged in the carrying of foodstuffs, and that of a belligerent to whom the services of such traders are of value, would be in some respects strengthened and in no way weakened by the establishment of the International Court of Appeal and the adoption of the rules set forth in the Declaration of London.

The establishment of a list of articles which can in no circumstances be declared contraband of war has been generally admitted to be a step in the right direction, but the welcome accorded to it by those whose attitude towards the Declaration as a whole is hostile has been good-humouredly contemptuous. Some facetious journals, indeed, observing that nuts are an item on the list, have lightheartedly informed the readers of their headlines that the purpose of the Declaration is to provide "Monkey food for the British people." The whole list, according to the critics, is inadequate and of trifling value. Yet it comprises such commodities as raw cotton, wool, silk, jute and flax—indeed, according to Board of Trade figures, "the annual value of British imports and exports under the heads enumerated in the list amounts to over £300,000,000, or nearly one-third of the total foreign trade of this country." The exemption of all such articles from capture at sea must, it would seem, confer upon the greatest commercial nation of the world a benefit by no means inconsiderable.

II. The provisions of the Declaration with regard to the destruction of neutral prizes have also given rise to much controversy, and it is admitted that the British representatives at the Conference did not obtain all that they were instructed to endeavour to secure in this respect. They were

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instructed, if possible, to get the sinking of neutral prizes condemned as universally illegal, but, while the Declaration does lay down the general proposition that a neutral vessel which has been captured may not be destroyed but must be taken into port for the determination there of all questions concerning the validity of the prize, it allows certain exceptions from this rule. In cases of exceptional necessity, where the taking of the prize into port would involve danger to the capturing warship, or to the success of the operations in which she is engaged, the prize may be sunk, provided that (a) the vessel herself is liable to condemnation (there are various breaches of neutrality which may render a neutral vessel liable to condemnation, but the most important of them are breach of blockade and the carrying of contraband to the extent of more than half the cargo), and that (b) all persons on board the prize are placed in safety.

If a captor sinks a prize without all these conditions having been satisfied he becomes liable to pay compensation for the damage caused by his action. If he fails to prove that the circumstances of exceptional necessity contemplated by the Declaration existed he must compensate the parties interested without inquiry as to whether the capture was in itself valid or not.

It is clear that under these provisions the sinking of neutral prizes could not become a common practice, as the opponents of the Declaration have represented that it would. To mention one point only : if a captor proposed to sink a neutral vessel it is hard to see where, in most cases, he could bestow the persons on board of her except on board his own ship, and the interior of a war ship which, *ex hypothesi*, is engaged in warlike operations can hardly be regarded as a place of safety.

It has been argued that this chapter of the Declaration will bear more hardly on Great Britain when she is a belligerent than on her enemies, since she has ports all over the world into which she can take neutral prizes, whereas other nations have not and that other nations will therefore

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be able to sink neutral prizes more freely than Great Britain. But this argument involves the fallacy that there is some advantage to be gained by sinking prizes as compared with taking them into port. Clearly this is not so, for if the delay involved in taking a prize into port were such as to endanger the success of a British warship's operations the circumstances which would justify that warship in sinking her prize, assuming her to be liable to condemnation, would be present. If not, nothing would be lost by having to take her into port in preference to sinking her.

It should further be noticed that Great Britain has not in the past denied that it may be the duty of a naval officer to sink a prize which he cannot bring into port. A judgement of Lord Stowell's* goes so far as to say that it may be "a very meritorious act" to do so. But our doctrine has been that in such a case full compensation must always be paid to the neutral owner without further inquiry. And the terms of the Declaration, by explicitly allowing, in certain exceptional circumstances, the sinking of prizes liable to condemnation, i.e. by denying compensation to the owner where those circumstances can be shown to exist, do *pro tanto* involve a derogation from that doctrine. But it has been shown that the position of Great Britain as a belligerent is in no way weakened thereby, while some surrender of the particular views held by individual nations must be made if any international agreement is ever to be arrived at about anything. The view of some of the Powers has been that destruction is justified if it is inconvenient† for the captor to bring his prize into port. Failing any such agreement as is embodied in the Declaration of London, they will continue to apply their own view in their own prize courts and aggrieved neutrals will have no other redress; while when Great Britain is belligerent she also will continue

* See page 11 of the Parliamentary Paper, Cd. 5746, papers laid before the Imperial Conference.

† See Cd. 5746, p. 11.

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to apply the rule she recognizes and to pay compensation in all cases where one of her naval officers has sunk a neutral ship.

The state of things that would be produced by the acceptance of the Declaration, so far as this matter is concerned, must therefore be an improvement from Great Britain's point of view upon the state of things that exists to-day.

III. It may be confessed at once that it is a matter for great regret that the British representatives should have failed to secure in the Declaration of London the condemnation of the practice of commissioning merchantmen at sea. But this is a matter in which it was found hopeless to arrive at an all-round agreement, owing to the radically divergent and strongly held views of the Powers concerned. Some of the most important of the European Powers claim the right when they are at war, by means of instructions to the captain of a ship which has left port as a peaceful trader, to authorize him to bring up and mount guns previously concealed in the hold and thus to convert his vessel into a warship to prey on enemy commerce, and by a converse process to reconvert her into a merchant vessel if she is in danger from the warships of the enemy, or if she desires to seek the hospitality of a neutral port. It is not necessary to enlarge on the objections to this practice, which Great Britain has consistently condemned, and it is certainly to be wished that the British negotiators could have obtained the universal adoption of the British view. In this they failed, and the Declaration of London is silent on the whole subject, but it is quite unfair to represent that document, as some of its critics have done, as by implication or otherwise approving of the opposite view. That this is no misrepresentation of the attitude of some of the critics will be seen on reference to the letter from the Council of the Belfast Chamber of Commerce of November 23, 1910,* where the Chamber states that "exception

* Printed on p. 24 of the Parliamentary Paper, Cd. 5418.

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is especially taken to the proposal in the Declaration relating to the conversion of merchantmen into warships without notice." This unfortunate Council received from the Foreign Office a somewhat tart rejoinder, expressing Sir E. Grey's "surprise and regret" that it "should condemn an important international agreement without apparently having read it," and adding laconically that "the Declaration does not make any mention whatever of the subject of the conversion of merchantmen into warships." In this matter the Declaration of London leaves things exactly as it found them. The nations which approve of the practice of commissioning ships at sea will, no doubt, continue to resort to it when at war. Great Britain will not adopt it, and when at war will take any measures that seem good to her in dealing with ships commissioned at sea by her enemy. It has, however, been urged with much force by the opponents of the Declaration that, in the absence of any explicit condemnation of the practice complained of, a judgement of the International Court of Appeal might by implication legalize it. For instance, a neutral whose ship had been admittedly carrying contraband might be seeking compensation on the ground that the ship which captured his cargo had been commissioned at sea, did not therefore possess the status of a warship and had, consequently, no right to stop and search neutral vessels. The Court, which would be bound to decide the matter in accordance with the principles of "justice and equity," might decide against the neutral, and the judgement would thenceforward be quoted as establishing the doctrine that it was lawful to commission ships at sea. That this possibility exists cannot be denied, though it may be asked in reply whether a Court, the majority of which would always be composed of neutrals, would not be more likely to be inclined towards the view most favourable to the neutral. But, in any case, Sir E. Grey has made it clear that Great Britain when at war would not allow her actions to be interfered with by any judgement adverse to her own view that the Court might give in this matter, while when

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Great Britain was neutral she would, at least, be no worse off than she is now, seeing that no redress is to be had from any other source than the prize court of the captor, which, in the case contemplated, would be practically certain to adopt the view of its own Government and to hold that the commissioning of the capturing ship at sea was lawful.

Space will not permit of any more detailed examination of the main lines on which the controversy proceeded up to the summer of 1911, but it should be mentioned that one of the principal advantages claimed for the Declaration from the British point of view is that it secures the universal adoption of what is practically the British pre-Declaration view of blockade in time of war. Great Britain, as the strongest naval power, has been concerned to assert that so effective a weapon in naval warfare as the power of declaring and enforcing a blockade of the enemy's ports or coasts must not be weakened, and has held that a ship sailing towards a blockaded port with the intention of breaking blockade, or a ship which has broken blockade by sailing out from a blockaded port and escaping into the open sea, may be captured at any point in her voyage. The opposite theory, held by some of the Powers, is that blockade consists in the drawing of an imaginary line which neutral ships must not cross, and that neutral ships can only be captured as blockade runners while in the act of crossing this line. The adoption of such a theory would obviously greatly limit the effectiveness of blockade as a weapon owing to the comparative ease with which ships would cross a single imaginary line unobserved, under cover of darkness or otherwise.

The rule laid down by the Declaration of London is that vessels may be captured for breach of blockade anywhere within the area of operations (*rayon d'action*) of the ships of the blockading squadron. This rule, though it may involve some derogation, in pure theory, from the British pre-Declaration doctrine, nevertheless in practice safeguards all the belligerent rights which Great Britain has asserted in her naval wars, for the records of the British prize courts reveal

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no case in which a vessel has been condemned for breach of blockade, except when actually close to the blockaded port or coast. The Declaration then virtually establishes the British view in this matter. If the Declaration remains a dead letter, Great Britain, by acting on her own view in time of war, as of course she would do, might possibly expose herself to diplomatic protests from neutrals whose view is different. Such protests might not be a very serious matter, but they would, at least, be annoyances from which the ratification of the Declaration would have saved our Government.

The question of the Declaration of London came before the Imperial Conference on June 1 and 2, 1911. The Prime Minister of Australia moved a resolution expressing regret that the Dominions had not been consulted prior to the acceptance of the Declaration, and criticizing those articles of it which make foodstuffs conditional contraband and those which relate to the destruction of neutral vessels. This resolution naturally divides itself into two parts, the first involving the highly important question of the relations between the Governments of the Dominions and the Imperial Government, which wields the treaty-making powers of the Crown in foreign affairs, and the second relating to the merits of the particular provisions of the Declaration specified. A corresponding division into two parts is to be found in the discussion of the resolution by the Conference. The debate on the general question is of the greatest interest and reveals clearly the essential feature of the present situation, namely, that so long as Great Britain bears practically the entire burden of the defence of the whole Empire, so long must the Government of Great Britain, which is also the Government of the Empire so far as the Empire can be said to have any one Government, retain the control of the Empire's foreign affairs. Power cannot be divorced from responsibility, and so long as the Governments of the Dominions do not bear a full share of the Imperial Government's responsibilities so long they cannot claim as of right to be consulted in regard to foreign affairs. By no one

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was the truth of these propositions more clearly brought out than by Sir Wilfrid Laurier, who opposed the Australian resolution on the ground that a claim to be consulted in the framing of Imperial treaties necessarily involved an undertaking to share the ensuing responsibilities. "We may give advice if our advice is sought," said he, ". . . . but I do not think the United Kingdom can undertake to carry out this advice unless you are prepared to back that advice with all your strength, and take part in the war" (i.e. any war that may follow the adoption of such advice). Sir Wilfrid's utterance on this occasion has been a good deal misrepresented both in the United Kingdom and in Canada, but it is the expression of a sound doctrine, that if a Dominion claims the right, as Canada does, to withhold her armed forces, if she so pleases, from active participation in an Imperial war, she cannot claim the right to be consulted on matters of high Imperial policy. Sir Edward Grey and Mr Asquith, nevertheless, undertook that the Imperial Government would in future "as far as possible" consult the Dominions, without, of course, binding themselves to follow their advice, in preparing instructions for the negotiation of international agreements affecting the Dominions "where time and opportunity and the subject-matter permit." This undertaking to admit the Dominion Governments into the counsels of the Foreign Office, though in a consultative capacity only, was, perhaps, the most important result of the whole Conference. A resolution welcoming it was unanimously adopted, on the motion of the Australian Premier.

The discussion of the particular features of the Declaration of London mentioned in the Australian resolution discloses no new point, and is interesting mainly as showing that the adverse critics at the Conference had come prepared with a somewhat insufficient study of their subject, the natural result of having been no more closely concerned with it than ordinary members of the public. Sir Edward Grey and Mr Asquith had little trouble in disposing of the objections advanced by Australia, with the result that the Con-

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ference passed a resolution, moved by Sir J. Ward, approving of the ratification of the Declaration. The Australian representatives, who had previously withdrawn their original resolution, alone abstained from voting with Sir J. Ward, on the ground, apparently, that having come like Balaam to curse they could not so far imitate the example of the prophet as to stay to bless, but would not mar the harmony of the proceedings by recording an adverse vote.

The Naval Prize Bill came before the House of Commons for second reading at the end of June, 1911, and was finally passed in that House by the party majority at the Government's command, which, however, fell below the normal, in December. The debates followed for the most part the well-worn lines of the controversy which we have already outlined and there seems to have been a certain lifelessness about them, due probably to the consciousness of the objectors that the only chance of effect being given to their views lay in the Bill being rejected by the party majority in the House of Lords. And, indeed, the House of Lords' debate on the motion for the second reading of the Bill in that House is a good deal more interesting than anything that took place in the House of Commons. To begin with, Lord Beauchamp, on behalf of the Government, conscious of the strength of the antipathy to the Declaration felt by the Conservative peers, gave an undertaking that the Order in Council necessary to bring into operation that part of the Bill which relates to the establishment of the International Prize Court and to appeals to it from the British Supreme Prize Court would not be issued until His Majesty's Government were satisfied that the other Powers concerned attached the same meaning to the words "base" and "fortified place" used in Article 34 of the Declaration as His Majesty's Government did. This undertaking, of course, was intended to remove one of the main grounds of objection ordinarily urged against the Declaration, but Lord Selborne, who moved the rejection of the Bill, expressed the view that no supplementary agreement among the Powers could be binding on the

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International Court, which would be guided in its judgments by the actual text of the Declaration alone. Lord Selborne, however, whose speech bore witness to the pains which he had devoted to the study of his subject, did not, for the most part, base his objections to the Bill on the familiar and largely discredited arguments of the earlier critics. He admitted, in some respects at least, that the dangers which he foresaw for Great Britain under the Declaration must be faced in any case, Declaration or no Declaration, but he preferred to trust to the pressure of powerful neutral Governments, such, for instance, as that of the United States, upon any European Power with which Great Britain might be at war to lessen those dangers rather than to the existence of an International Prize Court. And, in particular, he objected to the constitution of the International Court itself. This Court, under the Hague Convention of 1907, is to consist of fifteen judges, eight of them appointed by the eight foremost Powers, one nomination being allotted to each Power, and the remaining seven by the Minor Powers, each of which becomes entitled periodically to nominate a judge, or a deputy judge, according to an elaborately arranged roster. Such a Court, in Lord Selborne's view, was much too large to perform satisfactorily the grave duties entrusted to it. The proportion of representation upon it allowed to the Minor Powers was too great, in view of the preponderating importance of the interests of the Great Powers, and especially of Great Britain which owns half the merchant shipping of the world; and the Court would, Lord Selborne feared, become the centre of diplomatic intrigue. He would have no objection to the establishment of a Court of Appeal if satisfactorily constituted, but he protested emphatically against the setting up of the Court provided for by the Hague Convention, and against allowing it to lay down the law on the important questions which remain in doubt. For the code of rules contained in the Declaration of London is, in some respects, admittedly lacking in precision. There is some doubt as to whether the

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Rénault report is equally authoritative with the text of the Declaration itself, and there are, as has been shown, points of the first importance on which the Declaration is silent. When there are no rules to guide the Court, or the rules are vague, the Court must decide in accordance with its own view of the "general principles of justice and equity," and Lord Selborne felt that it would be wrong to acquiesce in advance to judgements adverse to British practice and British interests, which might possibly be given in virtue of the casting vote of a single South American jurist. The force of these considerations cannot be doubted, and Lord Selborne's objection to "letting the Court loose to make law" has behind it very eminent juristic authority.* But though the Court may not be an ideal tribunal, it is at least more likely to do justice to a neutral than the prize court of the belligerent by whom he has been aggrieved. It must be remembered that there is no question of depriving British traders of the protection of the British Prize Court, or of forcing them before an alien tribunal. British traders derive no protection from the British Prize Court to-day, for the simple reason that they can never appear before it. The only traders who can appear before it are neutral foreign traders claiming to have been wronged by British belligerent action. When Great Britain is neutral the only Court to which her traders can have recourse is the prize court of the belligerent. But under the Hague Convention they would have the right of appealing from that Court, if they wished to do so, to a tribunal which would not be biassed against them from the outset by national prejudice. If the belligerent's prize court decided in their favour they could not be dragged on appeal to the international tribunal by the belligerent Government because, as has already been pointed out on page 288, under the Convention no belligerent can appeal. Great Britain, therefore, whether as a neutral herself or as being, when belligerent, interested in the security of neutrals bringing

* See Professor Holland's Pamphlet, *Proposed Changes in Naval Prize Law*, p. 5.

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foodstuffs to her shores, is likely to benefit from the establishment of the Court. And, though the rules laid down by the Declaration of London may be in some respects inadequate, and in others vague, they are at least preferable to the confused welter of conflicting doctrines which to-day goes by the name of international law. Their adoption would be a long step in advance and an encouragement to the Powers to proceed further in the direction of closer agreement and more precise definition. As for the composition of the Court, though it may not be all that might be wished, it was the best that could be got, subject to the necessity under which the Powers represented at the Hague found themselves of creating an International Court which would be acceptable to all. The minor powers could not be excluded, nor could they be expected to agree to the establishment of a court on which they were to have no representation whatever.

But it was in vain that the speakers on the Government side pressed such considerations as these upon the House of Lords : in vain that the Lord Chancellor suggested that some of their lordships might not perhaps sufficiently understand the question to feel justified in putting the Executive in the position of being unable to fulfil their undertakings to the assembled Powers whom they had themselves brought together. The party machine, once set working, is not so easily stopped, and the Bill was thrown out on a division by 145 votes to 53. The Bill having been rejected, it is hardly to be anticipated that the Government, which has deliberately sought and failed to obtain for the Declaration of London the approval of Parliament, will now ratify that agreement.

From the history of the controversy emerge certain considerations which may not be lacking in interest for students of public affairs in the Dominions as well as in Great Britain. In the first place, nothing has more clearly appeared throughout than the fundamental truth that the possession of a navy strong enough to guard the seas and to be invin-

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cible by any reasonably probable combination of hostile Powers is the primary condition of the existence of the British Empire. From this point of view, the question of the merits or otherwise of the Declaration of London becomes a question of comparatively minor importance, for, Declaration or no Declaration, given an invincible navy the British Empire is safe from aggression. Declaration or no Declaration, the British Empire is doomed if the British navy is crushed in a naval war. We have been told that, under the Declaration, our food supplies would be in danger in time of war. They certainly would; but, unless the view of the Declaration taken in this article is wholly wrong, they will be at best in the same and probably in greater danger without it, and if the disputes about the Declaration have served to open our eyes more widely to the truth of this proposition, they will have served a useful purpose. No international agreement, even if framed wholly in the interests of neutral commerce, could rid us of these dangers. It is estimated that 90 per cent of the imported foodstuffs on which we live come to us in British vessels. Neutral shipping could never be found in sufficient quantities to take their place, so that, unless the British fleet is strong enough in time of war to keep the seas clear for the British mercantile marine, Great Britain must be starved into surrender. It is well that we should be reminded of a truth which is none the less true for being trite.

In the second place, the proceedings of the Imperial Conference in regard to the Declaration, and especially the words of Sir Wilfrid Laurier, must have recalled to the Governments of the Dominions another truism, that he who pays the piper calls the tune. As things stand at present, the last word in the foreign affairs of the whole Empire must rest with the Government of the United Kingdom. That Government may, as a matter of courteous agreement, undertake, when time and circumstances permit, to consult the Governments of the Dominions in matters affecting them, but cannot undertake to let their judgement outweigh

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its own. As things are, the Dominions can enjoy an advisory position only. Nor can their advice be given with the knowledge which experience of the actual handling of foreign affairs alone can bring, until the responsibilities of the people of the Dominions become commensurate with those of the people of the United Kingdom.

And, lastly, so long as the present state of things continues under which the men who form the Government of the Empire are the same as those who form the Government of the United Kingdom, and hold their position in virtue of being the leaders of one political party in the United Kingdom, so long will there be risk of Imperial concerns being complicated with purely local party issues quite unconnected with them. Parties are divided by differences of view, not on Imperial affairs, but on the local affairs of the United Kingdom. But it is the business of the "outs" to become the "ins" and of the "ins" to stay in by any legitimate means available, and, although, to the credit of British politics, it is accepted as a general principle that Imperial affairs lie outside the arena of party strife, it is inevitable, human nature being what it is, that they should occasionally be drawn into it and discussed with an eye to damaging a Government or discrediting an Opposition, rather than with the object of arriving at a calm decision upon their merits. The evils which from time to time arise from this state of things will continue to be inevitable until the day comes, if it ever does, when the Empire shall possess a single Government responsible to all its citizens alike and charged with the conduct of the Empire's affairs alone.

AN EARLY MARITIME CONFEDERACY

HISTORY is said to repeat itself, but it does not do so exactly. However, it is sometimes possible to find in the past partial analogies of present situations. The British Empire is often spoken of as a State of a unique kind, on account of the geographical relation of its component parts and it is true that no exact parallel can be pointed to in ancient or modern times. But almost at the beginning of civilized history, there is an example, on a tiny scale, of a confederation of maritime states, existing side by side with continental powers—also on a minute scale. This is the Confederacy of Delos, which became the Athenian Empire. Without going into any detailed account of this body—indeed much of its history is obscure and some in dispute—it may be interesting to take a view of its outlines. In doing so it is worth while to keep in mind that all the states spoken of are not great countries, but the “city states” of ancient Greece, the greatest no larger than a large English county and much inferior to it in wealth and population. In these small states national life reached a very high development, and it was focused and centralized in the city, on which the surrounding territory depended.

Long before the Persian invasion, the states of continental Greece had been accustomed to combine intermittently for common action, sometimes for ceremonies, sometimes for war. The states were independent of one another, and when they acted together, acted as members of an alliance. Sparta, which through its military system had the strongest army, was always given the presidency in the councils of the allies. Besides being the strongest, it was claimed to be the senior of the Dorian States and the Dorian States were in a majority on the mainland.

Besides the mainland states there were also others, of a similar nature, on the islands of the Archipelago and on the

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coast of Asia Minor. Most of these had been founded by colonizing expeditions from the mainland; the colonists carried their government with them and retained no political connexion, except a complimentary one, with the mother country. Moreover, these colonies, whether Dorian or Ionian, owing to their separation by the sea seem to have been regarded as less intimate members of the community of Grecian States. At any rate, when the Persian Empire spread westward, many of them were swallowed up or made tributary, without exciting any feeling on the mainland.

But the repeated attempts of Darius and his son Xerxes to conquer Greece itself called out the feeling of solidarity among Greeks in a higher degree than it had yet been shown. After the first invasion, the intermittent alliance of the mainland Greek states became, for a time, almost a standing one. Many of the colonial states on the islands and the Asian coast which had revolted against the Persians, joined it. In this way the character of the alliance changed in three directions. It became to be regarded as an arrangement more regularly active, instead of lying dormant through long periods. It came to include a larger number of purely maritime and trading states, whose strength lay in the possession of ships and sailors, and money, rather than of heavy infantry. And the proportion of Ionian members to that of Dorian was much increased, for most of the colonies were of Ionian origin.

Nevertheless, up to and during the second invasion, that of Xerxes, the alliance continued to work, outwardly, on the usual lines. Each state sent its contingents to the common army, or fleet, or both. The colonial contingents, as might be expected, were mostly naval. The strength of the army lay in the heavy troops of Sparta and the rest of the Peloponnese, outside of which the Athenian land contingent was of most importance. When the Persian fleet had been defeated at Salamis and the Persian army at Plataea, the fear of conquest was over, as far as concerned

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the mainland. But there still remained much to be done before the colonial states, which had revolted against Persia, could feel secure. If the alliance had been broken up and the contingents dispersed, these colonial states would have been left to be attacked and punished in detail by the viceroys of Asia Minor. Accordingly, operations were continued on both coasts of the Archipelago, to expel the Persian garrisons and establish firmly the independence of the revolted states.

But before long the machinery of the alliance proved unsuitable for its new purpose. The mainland states, and Sparta especially, were comparatively little interested in the colonies, and disliked keeping their contingents in the field longer than was absolutely necessary. At the same time the Spartans made themselves unpopular as leaders by their brutality, and insolence. The naval contingents from the Ionian colonies were not impressed by Sparta's position as the leading Dorian state, and her reputation on land counted for less than her incompetency at sea. They looked rather to Athens, which was not only the principal Ionian state of the mainland, but had far the strongest and most efficient fleet.

The matter was brought to a head by the misconduct of the Spartan General Pausanius, in command of the allied forces, then operating against the Persians in the neighbourhood of Byzantium. He so misbehaved himself that the other leaders combined to deprive him of his command. This involved the temporary withdrawal of the Spartan contingent, which was recalled, together with its general. In the interval, the allies agreed to accept the leadership of Athens. The Athenian general was Aristides, and his respectable character no doubt helped to secure this decision. The Spartan Government was glad to have an excuse to withdraw from further operations altogether, and took advantage of it; its example was quietly followed by most of the other mainland states. The war was left mainly in the hands of the Ionian colonies, under the leader-

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ship of Athens. It is this new alliance which is known under the name of the Confederacy of Delos.

To begin with, it was of precisely the same character as the old combination of the mainland states of Greece under the leadership of Sparta. There was no question of interference by one state, even the leader, in the internal affairs of another. The scope of the union only extended to war, or rather to the war against Persia, which was regarded as a standing affair. But as even from the beginning the contribution of each state to the war in men, ships, and money was fixed by an arrangement which it could not vary at pleasure, and as the direction of the war was also in the hands of a council presided over by Athens, the union was something more than a mere alliance. The Germans perhaps would call it a War Bund. Aristides drew up what may be called its constitution, that is the document fixing the contribution of each state. He was considered to have done this with great fairness. The treasury of the Confederacy, into which the money contributions were to be paid was fixed in the island of Delos, chosen no doubt for this purpose on account of the famous temple there, for in those times the temples were also banks. A council of delegates from the allied states met periodically in the same place to deal with the affairs of the league.

Such was the origin of the Athenian empire a confederacy for limited purposes and with limited liability. But during the thirty years succeeding the battle of Platæa the confederacy changed its complexion. The most important part of the change was the gradual substitution of money contributions for men and ships on the part of the colonial allies. Absorbed in trade apparently, they found this method less burdensome, and the way was made easy for them by the Athenian administrators. The latter preferred to take the money of the allies and spend it on increasing and improving their own fleet, which they kept in commission for the purposes of the confederacy, rather than to handle a force composed of many separate units. From

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the point of view of immediate efficiency, no doubt they were right, but the ultimate consequences of their actions were disastrous. As the colonial states withdrew from an active part in the operations, they were ousted at the same time from any control over them. They still sent delegates to occasional meetings at Delos, but these delegates had little power. In the councils of war which really controlled the direction of the successive campaigns, the allies lost all say as their contingents disappeared.

The next step was to remove the central treasury from Delos to Athens; and the final one to treat the contributions as part of the general revenue of Athens, not earmarked for the operations against Persia, but usable for public works or any purpose which the Athenian magistrates decided. This last proceeding might seem shocking, even to international morality. It appears to have been justified on the ground that Athens had undertaken, as it were, a contract to defend the colonial states against Persia, in return for a certain contribution, and that as long as this contract was properly performed, it was no concern of the contributories how their money was spent. The excuse is hardly unimpeachable, but is perhaps no weaker than others which have been used to justify acts of policy.

In the result, the other states, no longer raising forces of their own, but paying a yearly sum for their defence, came to be, to that extent, tributary states of Athens, who now began to meddle in an increasing degree with their internal affairs. The position was realized on both sides as soon as there was friction. The allies, having no share in the glory or the profit of the Athenian Empire, and feeling the pressure of Persia no longer, grew restive by degrees and wished to discontinue their contributions. The Athenians on the other hand regarded this as an act of revolt, and punished it as such, using the fleet of the confederacy to coerce its members, without consulting anyone. The recalcitrants, being by their own action without military or naval

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force, were, as a rule, subdued without difficulty, and sank to the confessed position of conquered states, part of their land being sometimes parcelled out among Athenian military settlers, who acted as garrisons. Thus, the empire was constituted; and this was its weakness. When it had to fight Sparta and the continental league, all depended on Athens; there was no vigour in the colonial members of the Empire; no more than a lukewarm loyalty, at the best, and not always so much as that. The spirit and wealth of the Athenians; the advantage which they drew from maritime supremacy and the consequent security of their trade; and the ineffectiveness of the alliance acting against them, kept the struggle balanced evenly for many years. But in the end they lost and the Empire was destroyed and its peoples conquered, because the Athenians had failed to make the outlying states of their empire living and active parts, instead of mere dependencies on the central government.

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I. THE POLITICAL SITUATION

THE object of this article is to give as clear an idea as possible of the position of political parties at the opening of Parliament. The difficulties, however, of making a statement which shall be at once clear and fair are even greater to-day than they have been at any time during the preceding twelve months. Last session we were engaged in reforming our ancient constitution in a very drastic manner. It was then a question of altering the machinery ; now the question is, what sort of product the new contrivance is going to turn out.

Only on rare occasions does constitutional agitation succeed in arousing a strong national feeling. As was pointed out at the time,* popular enthusiasm was almost entirely lacking during the debates upon the Parliament Bill, and even at the final dramatic crisis of its fortunes. This fact was generally admitted upon both sides, and much astonishment was wasted upon the indifference of the country. But there was really nothing to wonder at. The ordinary citizen, unless he be of an unusually philosophic temperament, is not deeply interested in machinery. He does not understand it. He does not foresee the consequences which will flow from this proposed clause or that suggested amendment. For him the learned and prolonged debates were all very much in the air ; and so, not unnaturally, they passed over his head. The Bill did not touch his interests directly or interfere with his habits at any particular point. Its benefits and its terrors were all in the future. But now it is entirely different. The new machine is to be set to work in earnest, and the output which the Government has announced is of a startling character and variety. On the one hand, hopes which have been vainly pursued for more than a generation are about to be realized ; on the other hand, prejudices of an even greater antiquity are

* *Round Table*, August.

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about to be disturbed. After two weary years of abstract discussion we have at last come back to the concrete. The ordinary citizen is awake, and, as a consequence, the general atmosphere has become singularly unfavourable to unbiassed statement. The reader must make allowance for these conditions if, as is not unlikely, the following pages fail to satisfy his enthusiasm. He must, in fact, make a double allowance; for it is not only the judgement of the writer which may be at fault, but also his own.

The three months which have gone by since the last number of the ROUND TABLE appeared have witnessed a considerable, though not any sensational, revival of confidence in the Unionist party. But they have also witnessed a relatively greater weakening of confidence in that coalition of parties which supports the present Government. It is important to keep in mind that the Unionists are the largest single party in the House of Commons. They outnumber the Liberals by a few members, and at the present time they appear to be somewhat more firmly knit together. If the Irish Nationalists abstain from supporting the Government at a critical division, defeat is not improbable. If they vote against the Government, it is certain. And the hostility of the Labour party would produce the same anxieties in the minds of the Ministerial Whips as the abstention of the Irishmen.

The revival of confidence among the Unionists is certainly due to some extent to the new leadership. Mr Bonar Law has fully justified, up to the present, the hopes which were formed of him at the time when he was chosen. His public statements are very definite and very lucid. He speaks as one who thoroughly knows his own mind. He is a propagandist firmly convinced of the overwhelming efficacy of the doctrine which he preaches. Also he has a very useful knack of asking awkward questions. Occasionally he scores heavily in the political *mêlée*. There is a grateful warmth about his platform utterances, and also a pleasant pungency, and these have already gone some way towards restoring the

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strength and spirits of the ordinary Unionist elector, who has starved and languished too long upon the milk diet of a philosophy which overlooked the obvious, and a dialectic too subtle and delicate for his comprehension.

But though the change in the leadership has undoubtedly done a great deal to stir the party committees and workers throughout the country with hope and confidence, it may be doubted if it actually has counted for so much as the steady growth of a feeling which may be described as satiety with change. It was in September last that this influence first became noticeable. Its birth occurred shortly after the great Railway Strike, and at the time when people were beginning to realize how close this country had come to being involved in a European war.

Reason does not reckon for much in manifestations of this sort. In the matter of our relations with Germany and France reason might have justly affirmed that the Government had only acted up to its engagements, and that, with due regard for Imperial and National interests, it could not have done otherwise than it did. In the matter of the strikes it might have been affirmed with equal justice that the Government had only behaved as any government was bound to behave which was responsible for preserving order in a civilized country. But, what a large number of people felt, who do not have either the time or the inclination to reason overmuch, was that their nerves had been subjected to two very severe shocks, and that it was therefore quite natural and right to blame the Government for this personal discomfort. One of these shocks had been caused by organized labour, whose representatives form a part of the coalition majority upon which the ministry depends. As to the other there was considerable uneasiness owing to the suspicion that for some reason or another the Navy had been inadequately prepared to meet the emergency. The latter impression was deepened by the exchange of offices which took place later in the autumn, when Mr Churchill succeeded Mr McKenna as First Lord of the Admiralty, and Mr McKenna succeeded

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Mr Churchill as Home Secretary. People then began to realize slowly and for the first time that a great change had been made in the constitution somewhat earlier in the year, and to wonder if all this disturbance was really necessary and wholesome.

The progress of the Insurance Bill during the autumn did not allay the general perturbation, but stimulated it in a marked degree. The manner in which this measure was forced through the House of Commons under the guillotine produced a bad impression in many quarters. Though the discussion of the provisions of this measure had been inadequate, many defects, nevertheless, had been disclosed and many more might still lurk undiscovered in the obscurity of its multitudinous clauses and amendments. Even ministerial organs* lamented the scandal of sending the Bill to the Upper House at a date when want of time precluded anything more than a formal discussion upon general principles. The intricacies and difficulties of the immense problem were overlooked by the man-in-the-street. The courage and industry of its projector were forgotten. What men concerned themselves with was the fact that here was a measure, which no section of the House accepted with enthusiasm, which entailed consequences for good or evil which no man could clearly foresee, and yet it had not been probed and examined in either House of Parliament with the patience befitting such an undertaking. It involved great changes in the habits of large classes of the people. It set up a machinery which, at the beginning, at all events, was bound to cause widespread irritation. Was it sufficiently certain that the benefits would be commensurate to the disturbance? Some ministerialists—and probably they were more than a few—privately expressed their hopes that the Peers would throw out the Bill. They distrusted the Bill, and they also disliked the Peers. Had it been possible to tempt the House of Lords into committing this crowning indiscretion, two birds might thereby have been killed with one stone.

* e.g. *The Nation*, Dec. 9, 1911.

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This popular distrust, whether well or ill grounded, was reflected in the bye-elections. Upon the whole these went badly for the Government. Every party organ, as a matter of course, is ready to explain away a hostile majority at a bye-election, but in spite of this fact there is nothing which revives the drooping spirits of either Government or Opposition like success in these casual contests. The Unionists have in recent times enjoyed so few triumphs of this sort that it is natural they should be even more elated than the results justified. They have found an additional cause for complacency in the fact that their central organization has recently been overhauled and placed under the management of a youthful and energetic head.* It is now on its trial, and the issue of these bye-elections encourages the hope that the new methods are an improvement upon the old ones.

But now, upon the very eve of the opening of Parliament, the spirits of the Unionist party have evidently risen to an even higher level. The situation is certainly a formidable one for any Government, and a hopeful one for any Opposition. The official programme for next session is on a scale which would have taken away the breath of the great statesmen of the nineteenth century. A Home Rule Bill for Ireland, a Reform Bill for the United Kingdom, and a Church Disestablishment Bill for Wales have been duly announced. But, except in the case of the last of these, the country has not as yet been told anything at all.† It does not know even the general principles upon which the Government intends to proceed. Is Ireland to have full colonial autonomy, or is it to stand to the United Kingdom in the relation in which Quebec and Ontario stand towards the Federal Government of Canada? Is it to have full

* Mr. Steel-Maitland.

† Mr. Churchill's speech upon Home Rule at Belfast was made after these words were written; but the information as to the intentions of the Government which he gave upon that occasion does not really add very much to our scanty stock of knowledge.

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control of the Customs and the Excise, or partial control, or no control at all? Is it to be represented in the Imperial Parliament, and, if so, upon what matters are the Irish members to have the right of voting? These are only a few of the many questions which every one is asking. But they relate to principles and not to mere details and machinery. Even among Liberals there are strong differences of opinion upon these fundamentals. The ministerial coalition claims that the country has given a mandate for Home Rule. Unionists reply that the country has given no such mandate; and further, that a mandate for a mere phrase is no mandate at all. How, they inquire, can it be contended, that the people have approved of the Bill which Mr Asquith has promised to introduce in March, and which he has solemnly asseverated that he will pass, under the overriding powers given by the Parliament Act, without any further appeal to the country, seeing that, even at the eleventh hour, there is no agreement among his Parliamentary supporters as to the two or three main principles upon which this Home Rule Bill ought to be founded?

As to the terms of the proposed Reform Bill there is an equal obscurity, and an even greater divergence of opinion among the rank and file of the coalition. We know from the statements of ministers that the Cabinet itself is divided upon the most momentous of all the many questions which will be raised by the introduction of this measure. The Prime Minister has stated publicly that in his opinion Woman Suffrage, in any form, would be one of the gravest disasters which could befall us. The Chancellor of the Exchequer has stated publicly that Woman Suffrage, in its widest form, is a plank in his platform. Some, like Sir Edward Grey, are for half measures; and while giving votes to some women, would not place the whole sex upon the same footing with men. Others again—anonymous shadows—are said to be for washing their hands of all responsibility and submitting the matter to a Referendum. But, as only a few months ago, the whole Cabinet was unanimous in denouncing

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the Referendum as one of the most insidious enemies of representative Government, it seems doubtful if even the ingenuity of the *Westminster Gazette* or the enthusiasm of the *Daily Chronicle* will succeed in convincing the ordinary elector that what was utterly black in July has become white in February, simply because it offers a way of escape from a most unpleasant party dilemma.

But it is not only with regard to Woman Suffrage that there is obscurity as to the intentions of the Government in the matter of reform. Mr Asquith's first announcement upon the subject was interpreted by every one to mean Manhood Suffrage. All parties were taken by surprise; for this particular proposal had certainly not played a prominent part at any general election. Subsequently it was explained that Manhood Suffrage had not been in the mind of the Prime Minister at all, but only an improvement of the registration laws and the abolition of plural voting. This gloss increased rather than lessened the general bewilderment, for the reason that the Prime Minister rarely fails to convey the meaning which he intends his words to carry to the ears of his audience. Within the last few days a correspondent of the *Times* has informed us that the earlier announcement was made without consultation with the Cabinet, whose surprise when they read it in the newspapers was equal to that of the rest of their fellow citizens.

If, however, the Government at this late moment should decide to abandon any part of its threefold policy—Home Rule, Electoral Reform, or Welsh Disestablishment—it is bound to suffer some discredit with the country, and it is also certain to be involved in difficulties with sections of its supporters who will be disappointed by such a sacrifice. The Labour men are believed to be intent upon securing Manhood Suffrage; they view Home Rule sympathetically, but without eagerness. The Irish Nationalists, on the other hand, regard everything as subordinate to Home Rule, and their inclination toward Manhood

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Suffrage is certainly not more ardent than that of the Labour party for Home Rule. The Welsh Radical members, supported by their English Nonconformist brethren, regard the Disestablishment and Disendowment of the Church in Wales as a thing for which everything else ought to be postponed; while their attitude towards Manhood Suffrage—which would enfranchise a huge mass of electors with no particular predilection in favour of Nonconformity—and towards Home Rule—which they secretly dread, in so far as it may place enormous and very dangerous powers in the hands of the Church of Rome—is suspiciously luke-warm—perhaps even nearer the freezing than the boiling point. The Irish Nationalists and the Labour men on the other hand do not regard the disestablishment of the Church in Wales as one of the chief ends of political endeavour. They are indifferent to the merits of this great question; and their support will therefore be given to the Government more because they are anxious to keep the Welsh Radicals in a good temper, and incidentally because they are glad of an opportunity for wounding the Tory Party, than because they anticipate any clear benefit to the Commonwealth. As for the remainder of the coalition, who form what is called the backbone of the party, they are willing to support all these measures because they are in the official programme. They know that if they fail in their duty of walking patiently and interminably into the Government lobby there will be a break-up; and in the eyes of the backbone of every party (if we may be forgiven the metaphor) a break-up is always regarded as the greatest of evils. But it is clear enough that there are doubts in various quarters if even the utmost docility and loyalty on the part of the ordinary member of Parliament will avert this dire calamity; and the Government is freely blamed among its own supporters for having bitten off more than it can chew.

The bystander is inclined to agree with this criticism, especially when he remembers that the legislative programme of the Government does not cover the whole

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field of its parliamentary danger. There are other subjects ripe for discussion, and discussion will be insisted upon, not from one side alone. Finance and Supply have been scamped and neglected for two years, and amendment of this dangerous practice has been solemnly promised. Then there are Foreign affairs—Radicals, Labour men, and Irish Nationalists, have of late opposed Sir Edward Grey's policy with considerable bitterness, both on the platform and in the press. Our relations with Germany and France, with Italy in the matter of Tripoli, with Turkey in the matter of Macedonia, have all come in for severe condemnation from supporters of the Government. It is improbable that a general muzzling order can be enforced effectively against so much conscientious disapprobation. Then there is the Navy, with regard to which disapprobation is apparently coming to a head on both sides for widely different reasons. It is not unlikely that the Insurance Bill may require further amendments before it can be brought into operation; and it is certain that some considerable time must be devoted to the Government's Trades Union Bill. There are also questions arising out of the strikes, some of which have been tided over but not settled, while others are still gathering upon the horizon.

The Session opens late—February 14. It is impossible to form even a guess when it will end. There is a certain likeness between the present position of affairs and that in which Mr Gladstone found himself at the beginning of what proved to be the last year of his premiership. In 1893 Parliament also met late (January 31), but a full fortnight earlier than on the present occasion. It remained in Session, with only a meagre respite of six weeks in the Autumn, until March 3 in the following year. The Queen's speech announced a programme of legislation which included Home Rule, Registration Reform and the Abolition of Plural Voting, and a Suspensory Bill to prevent the creation of new vested interests in the Church of Scotland and the Church in Wales. But the main features,

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after Home Rule, were Employers' Liability and Local Government. To persons who believe in omens there is something rather depressing in the conjunction of Ireland, Electoral Reform and the Welsh Church upon the present occasion; for the Session of 1893 stands out conspicuously as one of the most disastrous failures in our parliamentary history. It attempted too much. In the end its prolonged labours became a weariness, not only to the actors, but also to the spectators.

At the beginning, however, there was no lack of interest. The second reading debate upon the Home Rule Bill in the Commons was one of the most famous on record. It lasted over a fortnight and came to an end on April 21, when the Bill was carried by a majority of forty-three. But it was not until midnight on September 1 that the unlucky measure reached the Upper House, and was read there at a special sitting for the first time without discussion. It had come, according to the phrase of the day, "like a thief in the night." Nevertheless, the debate which ensued in the Lords was a worthy successor to that which had previously taken place in the Commons.

But already the country had grown weary and confused. It is true that on the night when the Bill passed its third reading in the Lower House, a crowd of considerable dimensions collected outside Palace Yard, and cheered Mr. Gladstone with great enthusiasm as he drove away. But so much might have been expected. It had been a long and arduous fight—nearly seven months of incessant contest—and the great Minister, now in his eighty-fifth year, had borne the brunt, had been the hero of it all. He had won; but all men knew that what he had won was but the first outwork of an utterly forlorn hope. All men knew—and doubtless Mr Gladstone knew better than any man—that he could never live to see Home Rule granted to Ireland. Even the fiercest of Tory antagonists, had he chanced to find himself unknown and unnoticed in this crowd, would have been unable to forbear a cheer at the sight of this indomitable, majestic

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old man, with eyes like an eagle's. It was a personal tribute: but it was mistaken in some quarters for an outburst of popular feeling. Consequently, when it became clear that the Lords intended to throw out the Home Rule Bill by an enormous majority, the Home Office judged it wise to keep a large force of police in reserve to protect their lordships from the anticipated fury of the mob. Upon the fateful night of the division the Home Secretary may well have congratulated himself on his foresight, as he looked out upon the dark masses collecting towards midnight in the shadow of St Margaret's—a crowd much larger than that which had assembled on the former occasion. But, as the news spread and the result of the division became known, there was no hostile demonstration; and as the Peers began to take their ways homeward, there was no attempt to tear them in pieces. On the contrary, for half an hour or more they continued to be greeted by round upon round of cheering, which equalled in enthusiasm and far surpassed in volume, that which only a week earlier had acclaimed the departure of Mr Gladstone.

The rejection of the Bill produced not a vestige of popular indignation. It was in vain that the National Liberal Association issued manifestoes and denounced in familiar phrases the reckless insolence of four hundred peers, "representing nobody but themselves," against whose fiat "the wishes of two million electors were to count as nothing." There was no responsive echo to this blast of wrath. The Home Rule Bill had never been popular, and by the time it arrived at the House of Lords it had become definitely *unpopular*.

But the session continued relentlessly. Then as now the party had to be kept together, and then as now the fatal error was entertained, that the best means to this end was legislation of a varied character, appealing to the different sections of the coalition. So Parliament occupied itself with the necessary business of Supply until the last week of September, and met again at the very beginning of Novem-

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ber to deal (for the most part fruitlessly) with Local Government, Employers' Liability and other matters. The sittings were prolonged till March, when the House was at length prorogued, to reassemble a week later for a new session. Meanwhile Mr Gladstone had resigned and Lord Rosebery had become Prime Minister.

But no infusion of new blood could save the Liberal party. Its fate was sealed. The unpopularity of Home Rule, when it came to be discussed in the concrete form of a bill had done much, but this miscalculated industry and those interminable sittings had done even more, to discredit the Government. Although it lingered on for somewhat more than a twelvemonth, and put at least one great measure on the statute book, the complete disaster which attended the next appeal to the country was already a foregone conclusion.

But if there is a good deal to-day which reminds us of the situation in February, 1893, there are also some points of difference. Mr Asquith's coalition has a majority of one hundred and twenty—three times as great as that which supported Mr Gladstone. As against this he has three parties to keep together instead of two. The closure has become a much more powerful instrument; it is more frequently and more ruthlessly applied; and the country which at first was shocked at any infringement of free speech has grown used to the severity. Moreover, Mr Asquith is as much superior to Mr Gladstone in the management of the business of the House of Commons, as Mr Gladstone was superior to Mr Asquith as a popular and parliamentary figure. But even so, if the Government's programme is to be carried through in its entirety, it is difficult to see how a session of shorter duration than that of 1893 can serve the purpose. For although the country upon the whole has undoubtedly grown more tolerant of the closure and the guillotine, just recently it has had a fit of restiveness or suspicion, due to the methods employed in the Insurance debates. This mood may easily become an ingrained distrust if the curtailment of discussion be pressed too far.

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In spite, however, of the uneasiness which at present exists among the ministerialists, it is still far from impossible that the vigour of ministers and the blunders of the Opposition during first few weeks of Parliament, may change the situation completely. The Unionist revival—if indeed there be a revival—has not, as yet, gained any great momentum. Certainly it has not yet become an irresistible attack. It is not yet independent of the follies which may be committed by its own supporters—as was the Unionist triumph in 1895 and the Liberal triumph in 1906. There is no *débacle*. The ranks, though to some extent discomfited, are still unbroken. At the present moment it seems as if leadership were the main essential—leadership and its correlative discipline. For this is not, as yet, “a soldiers’ battle,” whatever it may become later on. Granted that the Unionists occupy a somewhat better position than their opponents, the issue is still in that doubtful predicament where victory will almost certainly be snatched by the ablest general. Mr Bonar Law has only had a few months in which to establish himself in his new position. He finds himself the leader of a party which, for the past nine years, has been demoralized by discord, laxity, and a conspicuous want of discipline; and these misfortunes have been aggravated by three crushing defeats at the polls, and two crushing defeats in Parliament.

Lord Salisbury likewise had some serious internal difficulties to contend with in the early part of 1893. The Ulster Unionists, then, as now, were not pulling well with the English Unionists; nor were the Conservative Unionists altogether trustful of the Liberal Unionists. The free lances were for ever disobeying orders in vital matters, and indulging themselves at will in the dangerous practice of provoking general engagements over points which were not really defensible. Some of these escapades had ended disastrously. The attendance, as is apt to be the case with Unionist Oppositions, had been very slack as compared with that of their opponents. Lord Salisbury, therefore, took

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the bold course of calling his followers together at the Carlton Club, and reading them a somewhat stern lecture upon the impossibility of success if every man continued to insist upon going his own way, A few weeks will show whether or not a similar lecture is needed in March, 1912. If we may judge by what has happened during the past two years, Lord Salisbury's difficulties will prove to be but mole-hills compared with the mountains of indiscipline, recklessness, and fatuity which may be expected to confront Mr Bonar Law. It is not impossible—more we cannot say—that if he succeeds in breaking in his own party he may also succeed, before the year is out, in breaking up the coalition. But what may be said with complete certainty, is that unless he reduces his crew to something like a decent state of obedience and alacrity, he will assuredly miss the tide, and the wind, and all those other coy advantages which are essential to political navigators. For the Unionist party, whatever it may think, has not got into "the Trades" or the "Monsoon." It has no very stiff or steady gale of popular favour behind it, but only a light flickering breeze which may shift at any moment. And it is also important to realize that even such favour as it appears at present to enjoy, is due much less to any very remarkable growth of confidence in the policy of the Unionist party, or in the wisdom of its leaders, or in the honesty, sobriety, and industry of its rank and file, than to a sense of uneasiness, anxiety, and even dread of the tremendous disturbances which the Government is supposed to contemplate. Mr Asquith also has his difficulties. To the nerves of ordinary men—and the bulk of the Liberal party are but ordinary men—the bark of the Chancellor of the Exchequer is perhaps a more terrible thing than the bite of the whole Cabinet. If Mr Lloyd George would only abstain for a few months from advertising his wares and his motives with a confidence which is apt to induce a suspicion of quackery—if he would cease from moralizing so eternally upon the number of nice comfortable incomes of two hundred a year which can be carved out of five

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thousand a year, the most chilling of all topics with persons earning or enjoying, or who ever hope to earn or enjoy, more than four pounds a week—if he could be persuaded to endure the torture of silence, say, until Whitsunday, it is not impossible that the present perturbation might give place to a pleasant coma, and that the country would return quietly to its old allegiance simply from the lack of any other king to swear to.

II. SOME PHASES OF THE IRISH QUESTION

BEFORE the current number of the ROUND TABLE is in the hands of most of its readers overseas, the terms of Mr Asquith's Home Rule Bill will probably have become public property; and with the knowledge of the Government's intentions interest in the relatively unimportant events of the past three months will be of the slightest. And yet, since these preliminary occurrences have a certain value, it seems desirable to allude to them here as briefly as may be.

The attitude of the Ulster Unionists is the chief matter which attracts attention. The intemperance of the appeals which have been addressed to them by their distinguished legal advisers is the least important part of the phenomena. The other, and the more important aspect is the apparently set determination of these northern Protestants, in certain eventualities, to translate rhetorical extravagancies into an active or a passive resistance. Demagogues are an imitative and not very original breed of men. The bonfire which was kindled a few years back when Mr Lloyd George and Dr Clifford incited their fellow citizens, with considerable success, to defy and defeat the laws of the land, seems likely to burst into a more dangerous conflagration.

There is always difficulty in translating one language into another; something is inevitably lost, and something else as inevitably slips in during the process. In political affairs there is the same difficulty, but in a greater degree

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for there ideas have to be translated into words, and words again have to be translated into action. The fundamental ideas of Unionism have suffered a loss of this character and, at the same time, have acquired a fresh meaning when they came to be expounded in the copious eloquence of the Orange platform. And again the words of these lawyer predicants have in like manner lost and also gained in significance when sincere and simple men set to work to follow out their consequences in action.

One of the worst evils which can befall any party or any nation, is to be led by advocates; for the trade of such men—the means by which they earn their livelihood in the courts—is to colour all things to a special tint, to see no fact of life truly, to weigh no consideration fairly, to regard no situation upon its merits and as a whole, but only as it affects the interests of their particular client for the time being. The constant habit of their minds is, of necessity, misrepresentation. They live for ever in an atmosphere which is artificially heated. The discipline of their profession compels them to obtain command of a huge army of alert and obedient convictions; and by the time they have reached the summit of their careers, they have learned to lash themselves at will, and at a moment's notice, and for the most trivial causes, into a violent transport of grief or indignation. In this way they attempt either to bewilder or persuade their hearers. In private life they are often the gentlest, the most courteous and the most considerate of men; but so soon as they begin to take a part in public discussions they revert to the traditions of their familiar art—in the same way as that popular preacher, the late Reverend Charles Honeyman, could never stand in his pulpit in Mayfair without waving a lace pocket handkerchief to sustain his eloquence; in the same way as the fool of all the ages has never been able to appear abroad but in his motley.

Advocacy of this professional type has given us a great literature, and has occasionally been the cause of great disasters; but it has never produced a great or even a re-

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speñtable leader in any national emergency. The reason is not far to seek. No man can lead his fellow men very far—except astray—unless he grasps the realities of the situation. There comes a time when fine words, and plausible arguments, and ingenious excuses (which are the bread of life to your brilliant advocate of the Courts) will no longer keep up the spirits of the troops which find themselves in a death trap. The fiascos and excesses of the French Revolution were largely the results of the words, spoken and written by men who were advocates by temperament or profession. The glory of Cicero is not more eternal than the contempt in which he was involved when he gave up advocacy to become a statesman.

But the Ulster Protestants are not alone in this misfortune of leadership. When an account of the late constitutional crisis comes to be written, and the passage of the Parliament Bill to be examined, and the consequences thereof to be analysed in all their bearings by the historian of the future, it is not improbable that he will find in this field of study fresh proofs of the disastrous results of having a brilliant advocate of the Courts at the head of public affairs. For the advocate is half artist and half casuist. He does not look facts in the face ; how can he, for he has his eye all the time on the jury? He is the minister of men's discords. Where an honourable accommodation is the object he is the most unfit negotiator. Where institutions have to be built, or buttressed, or remodelled, he is the worst artificer that could possibly be chosen. When King Charles the Second sent courtiers and little smooth-faced pages to command great ships of the Line against de Ruyter in the Medway and the Narrow Seas, he ran no worse risks than the people of the United Kingdom are running to-day. The victory of the advocate is usually a hollow thing, and a true lasting settlement seldom comes of it. For he works by argument and not by instinct, and when he has overborne or outwitted his adversary he is content.

Mr Redmond, as an old Parliamentary hand with more

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than thirty years' experience of the arts of agitation, was not slow to take advantage of the bad effect which the Ulster demonstrations of September had produced upon moderate opinion in England. The method which he chose was skilful in the extreme. He engaged in no counter demonstrations, but quietly went to and fro making speeches of sweet reasonableness which the Liberal press took care to report at length. The burden of his message to the people of England and Scotland was that the Imperial Parliament is overweighted with work, and must, somehow or another, be relieved or it will die; that local affairs can be dealt with best and most economically, by local legislatures; that what the Nationalists mean by Home Rule is no more than Quebec and Ontario already enjoy in the Canadian Federation, and Victoria and New South Wales in the Australian; that of all the great qualities possessed by Irishmen toleration is probably their most conspicuous excellency, and that of all Irishmen probably Roman Catholic Irishmen possess this virtue in the highest degree. In spite of the provocation which had been given he used no language of reproach against the Protestants of Ulster, while of the Protestants in other parts of the island he spoke in terms of the greatest consideration. "What a contrast!" cried the man-in-the-street. And there is no doubt that Mr Redmond played his part to admiration and produced a great impression. Taken by itself it may be admitted that his performance was more in accordance with English notions of representative and constitutional government, than certain recent utterances upon the Unionist side. Nor is there any reason for supposing that he spoke otherwise than with perfect sincerity,

But, unfortunately, an incident occurred shortly afterwards which greatly marred the effect of these admirable pronouncements. Mr Redmond is the head of the Irish Parliamentary party, but he is not an autocratic head as was Mr Parnell. Mr Redmond may speak for the party, but he does not rule it. Mr Dillon is at the head of what may be

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called the Home Department; and as to what goes on in Ireland, he has at least as much, and probably more, to say than his chief. Mr Dillon is a man of strong character and still stronger antipathies. He is not the stuff of which diplomatists are made. What he wants he must have, and what he thinks he must say, regardless of the season. For at least a decade longer than Mr Redmond he has been a leader in Irish politics; and, to use a homely expression, no one has upset the Nationalist apple-cart so often. Those of our readers who have studied the unstable progress of that vehicle will understand the pre-eminence of his achievement.

Now there is a man in Ireland called Sir Horace Plunkett, who, after a youth spent in the Western States of America, became a Unionist Member of Parliament about twenty years ago. The work on which his heart was set from the beginning was the social regeneration of his country, and more particularly the regeneration of Irish rural life. When he left his ranch he gave himself and his fortune to the prosecution of this work, and for this end he has laboured in season and out of season. Politics with him was only an unimportant interlude which, perhaps, he would have been wiser had he omitted altogether. But it was the results of his work in organizing Irish farmers, in teaching them how to apply better methods—how to sell their produce in the best market—how to buy their seeds, manures, stores and implements in the cheapest market—how to help one another and take advantage of the grants and educational facilities offered from time to time by various Governments—it was his interest and success in these matters, much more than any political service, which caused him to be placed by Mr Gerald Balfour, then Chief Secretary, at the head of the newly formed Irish Agricultural Department.

That he did his work well in that capacity has never been seriously denied. It is a long story and we have no intention of entering upon it here. It is sufficient to say that, although he was forced to relinquish his office shortly after the

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Liberals came into power—a thing of which he has never complained, and of which he would have no just right to complain—his own great independent work of agricultural organization has prospered exceedingly, has spread out its roots and branches, year by year, further and further, over the whole of Ireland, and has been copied in its methods by sister societies in England and Scotland.

When Mr Lloyd George's famous Budget became law it provided a development grant, with the special object of assisting co-operative movements of this kind. The English and Scotch Societies applied for, and obtained, their grants immediately. The parent Irish Society applied for its grant also, but received no answer for many months. Finally Mr T. W. Russell, who succeeded Sir Horace as head of the Irish Agricultural Department, called together his advisory council in the late autumn, exhorted them in a fiery address, and prevailed upon them by a considerable majority to advise against any Governmental grant being given to Sir Horace Plunkett's Society.

Of the many thousands of farmers and men of other vocations who have banded themselves together in the I.A.O.S. (Irish Agricultural Organization Society), probably more than four-fifths are supporters of the Nationalist party. The business of the Society is not politics. It does not concern itself, and never has concerned itself, with politics. The charge that it does so has frequently been brought against it, but has always broken down.

But if Sir Horace has the warm and loyal support of many ardent politicians upon both sides, he has at different times fallen under the ban both of the Ulster Protestants and the Nationalist party. Because, while a member of the last Unionist Government, he appointed unrepentant Nationalists to important offices, and in other ways showed that he regarded his fellow creatures of that unfortunate persuasion as persons with whom it was not dishonourable to co-operate for non-political purposes, he was assailed in Parliament and out of it with that peculiar vehemence

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which distinguishes the suspicious orthodoxy of Ulster Unionism. In the end he lost his seat by Unionist desertions. At the same time, for reasons which will subsequently appear, he incurred the implacable animosity of Mr Dillon.

Mr T. W. Russell although a member of the present Government could not retain his office for a month if he went counter to Mr Dillon's wishes. Mr Dillon's support is probably more essential to any Liberal who happens to be at the head of the Irish Agricultural Department than that of any other individual—the Chief Secretary included. The grant was accordingly refused to the I.A.O.S. because Sir Horace was not a *persona grata* to Mr Dillon; and for no other reason. Mr Russell did not attempt any concealment of this fact. Let Sir Horace satisfy Mr Dillon of the innocence of his aims and the grant would be considered; but until he produced this unobtainable certificate he should go without. Mr Russell's words were spoken on a public occasion; they were perfectly clear, and his friends and his enemies have interpreted them in the same sense. It may be an odd position for a British minister to occupy, but that is Mr. Russell's affair. He is only the agent and not the principal, so we may leave him out of this discussion.

If Mr Dillon had been heartily co-operating with Mr Redmond along his very wise line of operations for the conversion of English and Scotch public opinion during last Autumn he would not have missed such a golden opportunity as presented itself when the I.A.O.S. applied for a grant. His old feud with Sir Horace was well known. There was some ground for this feud, in the facts as well as in his own temperament, although there was little enough in the way of justification. But Sir Horace Plunkett had done a great work for Ireland—so much is admitted by men of every shade of politics. Incidentally he had done a great work for rural life elsewhere than in Ireland, and his example and his method have been copied in America, and upon the Continent. The late President of the United States had singled him out in a public despatch as one of

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the greatest social benefactors of his time. Mr Dillon had therefore the chance of a bold stroke of magnanimity which would have driven home and enforced the lesson of toleration and goodwill which Mr Redmond had just been preaching throughout the length and breadth of Great Britain. But being what has been already described—a too persistent pursuer of his enemies—Mr Dillon could not take the opportunity which offered itself. It would have been to commit moral *hara-kiri*, and to go back upon the practice of a long and consistent life-time. And so the Irish apple-cart has once more been tilted to a dangerous angle, and is in serious danger of being again upset.

These unbridled personal antipathies are apt to be very embarrassing to a political movement. Mr Redmond can hardly be grateful for so strange and vivid an illustration of the value of those assurances which he had been making all over England with his hand upon his heart. Nor can the Liberals be grateful for an act, the mediæval vindictiveness of which has driven influential members of their party into strong public protests.

Mr Dillon's antipathy none the less finds some extenuation in the facts. To speak frankly, both Mr Dillon and Sir Horace Plunkett have been placed by their zealous admirers upon pedestals which match somewhat in the manner of a pair of old-fashioned mantel-piece ornaments which stand on either side of the clock. They are both disinterested men of an unimpeachable sincerity. Each of them has made great sacrifices, and has placed and, we may believe, will ever place the well-being of his country as he sees it before everything: his own life, health, and fortunes are nowhere in comparison. This apostolic character which both possess has inspired two rival legends. They are being for ever compared and contrasted. That this competition has been pressed too far in both cases can hardly be denied. An opposition of this sort is apt to engender malice. The only thing which can save the situation is some sense of humour in the canonized parties, and unfortunately

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nature has not endowed Mr Dillon lavishly in this respect, while she has showered her bounties upon Sir Horace Plunkett.

The other great cause of the dissension is money—the prime curse. The Nationalist party, like all other political parties in these days, cannot make way without supplies. And the I.A.O.S. has dried up the sources. This thing has happened in three different ways.

Before the Land Purchase Acts were passed there was an agrarian question. Broadly speaking there is none to-day. Irishmen *in Ireland* have never at any time subscribed freely to any movement under the influence of sentiment.* In practice they are even more withholding than the Scotch, whose pockets, close buttoned against most assaults, are apt to relent at the appeal of an idea. Irishmen *in Ireland* have given when they might reasonably expect a return of their outlay with interest, and a handsome bonus into the bargain; but not otherwise. Land purchase would probably have dried up the old fountains of the Land League in any case—even without the I.A.O.S. But agricultural organization has undoubtedly helped the process of exhaustion by increasing the prosperity of the farmers and peasant owners far beyond their original anticipations. For a profit within easy reach, and not hopeless poverty, is the great stimulus to saving. The deafest ears to charity are the ears of a man who has his eye on a good investment. When a sovereign put into improvement in the farm will bring interest at the rate of five shillings per annum, the farmer thinks twice before he diverts the golden coin to the uses of the Nationalist party. Nor is his enthusiasm for political ideals or his appetite for political change any longer so keen as it was in the 'eighties and 'nineties; for time as well as money has now become precious to him—perhaps the thing nearest a miracle which has ever yet happened in Ireland—and what is given to public work must necessarily be diverted from economic uses.

Then there are the wealthy American-Irish subscribers.

* Cf. Mr. Sydney Brooks, *Fortnightly Review*. November, 1911.

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These, indeed, are givers of the ideal order who look for no personal return at compound or even at simple interest. But these idealists, strange as it may seem, have been so much impressed by the practical accomplishment of the I.A.O.S. that they have even come to entertain the heresy of thinking their money might after all be better spent in the development of rural life, than in an interminable agitation for a vague and elusive autonomy. It is among the most heinous of Sir Horace's sins that he has garnered dollars which should have gone by rights to nobler uses.

Finally, and this is the crowning provocation—the gombeen interest is in open revolt. The village shopkeeper, who used to supply seeds—not always of the best quality—and manures—sometimes diluted with unfertilizing substances—at prices often superior to those charged for more respectable articles; who gave long credit in order, among other things, that he might reap large profits and take a toll both ways, not only upon what he sold, but also upon what he took in exchange; who was in the habit of setting off farm produce received at the lowest figure, against farm necessities supplied at the highest figure—this prudent industrial took stock of the situation and arrived at the just conclusion that the operations of the I.A.O.S. were all to his disadvantage. And he at any rate, unlike the farmer, was still a subscriber to the funds of the Nationalist party—almost the only liberal subscriber in the whole of Ireland. But whether he is a more disinterested subscriber than was the farmer in olden days, may be left to the conjectures of the ingenious.

The truth of the present position is that co-operative buying of good materials at reasonable prices—co-operative selling of branded produce at its true market value—co-operative credit which, already in many districts, has done away with the dependence of the agricultural community upon the usurer—have all seriously interfered with the gombeen man's enjoyment of the fruits of the earth. In theory he is the reddest of revolutionaries; in

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practice the most hardened of reactionaries. He pays—he almost alone in Ireland—pays for politics and he thinks, not without justice, that he has a right to call the tune. And so Mr Dillon thinks, too, and accordingly gives his band-master directions that the tune—the good old tune—is to be played once more. The “distressful counthry” is therefore to remain distressful, in order that the heart of the gombeen man may be glad within him.

London. February, 1912.

CANADA

I. MR BORDEN AND IMPERIAL POLICY

PERHAPS to suggest that Canada has a foreign policy is to claim attributes of National sovereignty which we do not possess. But at least the Dominion cannot set itself apart from the rest of the world and escape altogether the duties and obligations which rest upon other communities. Across the Pacific are China and Japan where the wine of age is fermenting into new forms of life and power. In the United States, lying upon our long boundary, there is strange testing of an old and conservative constitution and forces of evolution, if not of revolution, making for the destruction of long cherished illusions, and the repair of long established institutions. In Great Britain itself there is an immense disturbance of traditions and conditions, of the roots of power, of the structure of government. Insensibly perhaps but inevitably, these changing conditions in the Mother Country affect the thinking of the Dominions, and evolve new aspects of the Imperial relationship. It is not easy to put the thought into words but we can readily understand that to the outer Empire England has a certain historical meaning and significance, associated with the monarchy, with the form and temper of government, with the relations between classes, with the sources of political power and the distribution of political responsibility, and that revolutionary changes in these conditions and relations affect every portion of the Empire. Canada, therefore, has an interest both in Imperial policy and in foreign policy, and obligations and responsibilities which cannot be evaded by any exaltation of autonomy or any theory of isolation. Similarly there is Imperial significance in the social and constitutional legislation of the Mother Country, and consequences running outward into the far corners of the King's Dominions.

There is no more serious student of the British Constitution than the Prime Minister of Canada. There is no more

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devoted citizen of the Empire. There is no one more concerned to ensure its political security and to enhance its moral authority. Whatever naval programme his Government may develop no one is more clearly convinced of the duty of Canada to assist in sea defence or more fully persuaded that the strength of Canada is measured by the strength of the Empire. He has, however, rejected the naval policy of the Laurier Administration and as yet neither his cabinet nor his party in Parliament can be said to have any common or definite notion of a substitutional programme. Mr Hazen, the Minister of Naval Affairs, goes immediately to London to consult with the Admiralty. There is no evidence that he goes with definite proposals. It is doubtful if early action will follow upon the fact of consultation. There will be thorough consideration of the relations between Canada and the Mother Country and a single endeavour to evolve a policy which will ensure effective co-operation with the Admiralty and the maximum of efficiency in the defence of Canada.

It may be worth while to recall Mr Borden's own statement of his position in Parliament a year ago. He told the House of Commons that if a Conservative Government found itself in power it would take steps to consult with the British Government and ascertain whether the conditions then existing were or were not so grave as to require immediate and effective aid. If the circumstances did require such aid, it would be given. If Parliament refused it he would appeal to the people. He continued:

“ If Canada and the other Dominions are to take part as nations in this Empire in defence of the Empire as a whole, shall it be that we, contributing to the defence of the whole Empire, shall have absolutely no voice whatever in the Councils of the whole Empire with regard to the condition of peace and war throughout the Empire. I do not think that would be a tolerable condition. I do not think that the people of Canada would, for one moment, submit to such a condition.

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Would the members of this House, representative men, representing 221 constituencies, from the Atlantic to the Pacific, submit to a condition whereby not one of them would have the same voice with regard to these Imperial issues as the humblest taxpayer in the British Isles has at this moment? A condition of this kind would not stand for the integrity of the Empire, for the closer co-operation of the Empire. A permanent policy would have to be worked out. Then, when the permanent policy had been worked out, and explained to the people of Canada it would be the right of any Government to go to the people to get them to pronounce their mandate."

There is the statement of a man who never acts upon impulse, who speaks with infinite caution, who never indulges in the rhetoric of after-dinner Imperialists, who has a profound insight into the genius of British institutions, who has a deep and solemn conception of the responsibilities of the British Empire and of the duty of Canada to contribute towards the security and solidity of the Imperial structure. But in order to give effect to these convictions Mr Borden must impress himself upon the cabinet, upon the Conservative party and upon the country, and he must educate Quebec to the level of his conception. It is not certain, however, that there is so wide a gap between Mr Borden and the more moderate section of the Quebec Nationalists. The French mind, at least in Canada, is the sport of a rigid academic logic. Autonomy is a sacred thing upon which to lay rude hands is profanation of the altar. A religious minority, jealous of their rights and privileges, often unjustly attacked, and often misled by partisan demagogues, the French in Canada often suspect when no ground for suspicion exists and organize for defence when only the banners of peace hang on the horizon. It has been the habit of parliamentary oppositions of every party to excite fears of "militarism" in the French people, and to plot imaginary inroads upon their constitutional rights and privileges. Averse to this type of electioneering,

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Mr Borden was distrusted in Quebec and his position undermined by the Nationalist faction. With his accession to power, however, his true character appears, and the day may not be so far in the future when he can withstand even Mr Bourassa in the French province.

To be just to Mr Bourassa, however, it is sheer misrepresentation to suggest that he dreams of a French nation on the St Lawrence, sets a low value upon the Imperial connexion, or seeks to make a quarrel between Canada and the Mother Country. Probably the truth is that he has no great constructive power and is the servant of an eloquence which touches the sky line and rides upon the air to the delight, rather than to the solid instruction, of his clamorous audiences. It is certain at least that under Mr Borden, the Nationalist Leader will not determine the policy of Canada in relation to the Empire, and there is reason to believe that if we can associate some form of Imperial representation with the assumption of Imperial obligations, there will be an immense modification of the Nationalist attitude towards naval defence. A few weeks ago Mr C. H. Cahan, K.C., of Montreal, a former leader of the Conservative party of Nova Scotia and now an influential financier and capitalist, addressing the students of McGill University, argued that Canada should participate in the direction of Imperial policy in the exact proportion of its contribution to the defence of the Empire, that there should be a permanent federal bond between the Colonies and Great Britain, that Canada should vote an annual contribution for naval purposes and have an adequate representation in Downing Street and at Westminster; in short that we should establish representative government for the Empire with special taxation for Imperial purposes and absolute control of local affairs by the Dominion Parliaments. Concerning this programme Mr Bourassa himself declares "Mr Cahan has taken ground incomparably broader and more solid than that of either of the parties." Hence the delay in the elaboration of a naval

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programme may inure to the ultimate advantage of the Empire. Delay, however, seems to be inevitable. There will be delay through consultation with the Admiralty and delay in testing the sentiment of the country. As there is an indisposition to submit naval proposals to a referendum the ultimate decision can come only through a general election. The census necessitates a redistribution of constituencies, and the West will insist upon the representation to which it is entitled. But whether or not a general election will follow immediately upon redistribution will depend upon the state of opinion in the country and the Government's estimate of a favourable judgement. In face of an emergency in Europe, however, there would be in some form or other prompt and decisive action by the Parliament of Canada.

It is, perhaps, significant that Mr Borden is taking over the Department of External Affairs, and thus will assume direct control of Imperial and foreign policy. This in itself is a confession that Canada has outside relations, and surely the logical conclusion is that these relations involve responsibilities and obligations. There is, too, an indication of the temper of the Government in the policy of the Minister of Militia. Colonel Hughes is reorganizing the rural militia, enfeebled by slack recruiting and an inadequate scale of remuneration, and aims to establish cadet corps throughout Ontario and in the eastern and western provinces with an aggregate strength of 30,000. In the first estimates of the new minister the item for annual drill is increased by \$405,000, that for cadet corps by \$25,000, that for the permanent force by \$50,000, that for schools of instruction by \$30,000, and that for military works and buildings by \$40,000. "Canada is in the hands of the militarists," says a Liberal newspaper, and Mr Bourassa agrees. Possibly the Borden Government will be equally bold and energetic in the elaboration and execution of a system of sea defence.

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II. POLITICS IN THE PROVINCES

ON December 11 there was a general election for the Province of Ontario. In the last Assembly there were 87 Conservatives, 18 Liberals and one Labour-Unionist. In the new Assembly there are 83 Conservatives, 22 Liberals, and again a single representative of Labour. In Toronto four Labour candidates appeared, but they received only a very meagre support. In Canada Labour never has become a serious political factor. In the industrial centres Unionism is powerful in adjusting rates of wages and in exacting legislation to improve the condition of the workers, but in political contests the masses of organized labour divide between the two historical parties. Possibly, with a high average of wages, with continuous employment, and with the Legislatures and the Federal Parliament in more or less active sympathy with the demands of labour, the considerations which induce workers in other countries to unite for political action have little force in this country. As compared with New Zealand and Australia this argument is hardly valid, but no other explanation offers itself, save, perhaps, that we have few great industrial centres and that as yet the agricultural communities immensely outweigh all other elements of the population.

At the close of the year there was also a provincial general election in Prince Edward Island. There, as in Ontario, the Conservative party achieved an overwhelming victory. To a Legislature of 30 members only two Liberals were returned. No doubt the Provincial Conservative party owes its success in some measure to the installation of a Conservative Government at Ottawa. Ever since confederation communication between the island and the mainland has been shamefully neglected, in contempt of the very letter of the Act of Union, and the promise of the Federal Government to establish a car ferry was the decisive influence in the contest. For twenty-one years the Liberal party had controlled the affairs of the island, and it is a curious fact that

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on the island, alone amongst Canadian provinces, the system of open voting still prevails. Conservative Governments are now established in the Dominion, in Ontario, in Manitoba, in British Columbia, in New Brunswick and in Prince Edward Island. The Liberal party still administers the affairs of Quebec, Nova Scotia, Saskatchewan and Alberta. During the year the Governments of Quebec and Saskatchewan will appeal to the constituencies, and in each province there will be a very keen contest to change the balance of parties. It was the design of Sir John Macdonald at confederation that the issues which divide the federal parties should not operate in provincial contests. It has developed otherwise, or at least in Canada, as in the United States, there is substantial identity between the federal and the provincial parties, with an influential remnant of voters who still entertain, perhaps unconsciously, the notion of Sir John Macdonald that provincial elections should turn upon provincial questions, and who doubt, as Sir John Macdonald did not, the public advantages of a close alliance between provincial and federal cabinets. At the moment the accepted belief that the provinces are reluctant to entrust the control of both federal and provincial affairs to the one party is not strongly supported by the political situation in the Dominion.

After the exhausting struggle over the trade issue in the federal election there was impenetrable apathy in the provincial contest in Ontario. The total vote polled was 365,958, as compared with 470,208 three years ago. The Conservative vote fell by 75,128 and the Liberal vote by 38,810. The popular majority for the Government was reduced from 85,629 to 59,614. In one of the Toronto constituencies the total vote was only 75 per cent of the Conservative majority in the federal election. Apart from the desperate desire of the province for relief from political turmoil there was no thought in any quarter that the Government of Sir James Whitney could be defeated. The provincial Premier, blunt, bold and downright, of simple,

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unpretending honesty, contemptuous of the sinuous arts and methods which are assumed to be the only secret of political success, has the confidence of all classes and elements of the population, the administration of affairs under his direction has been singularly free from scandal, and his colleagues have shown a fair degree of efficiency in the conduct of the various departments. But, apart from the natural strength of the Government, the Liberal party had not recovered from the crushing defeat of September. It was difficult to secure candidates. In a score of constituencies the Opposition was not directly represented. Various devices and combinations had to be employed in order to prevent the return of Conservative candidates by acclamation. The Liberal press, however, showed no lack of courage or energy, while the brilliant young leader of the party made a distinct impression in the constituencies.

Mr N. W. Rowell, K.C., nominated to the leadership of the Liberal party of Ontario only a few weeks before polling, has high rank in his profession, is an outstanding figure in Canadian Methodism, and is a platform speaker of remarkable force and fluency. What success he may have as a politician the future has to determine, but no one will doubt his integrity or deny his ability. Indeed, there have been no more hopeful incidents in recent Canadian politics than the choice of Mr W. T. White for Minister of Finance in the Federal Government, and Mr Rowell's acceptance of the leadership of the Liberal party in Ontario. Each has made a serious sacrifice, and each brings high character and high talent to the public service. It has to be said also that, although Mr Rowell was one of the most ardent and powerful supporters of the Trade Agreement with Washington, he is a convinced and even a constructive Imperialist, and will consider sympathetically every proposal for the greater security and unity of the Empire. Governments (even in Ontario) are not for ever, although we have had only two changes of administration in forty years, and we may count ourselves fortunate if Mr Rowell leads the Liberal party

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when it is restored to office in the chief province of the confederation.

III. A STORY OF EXPANSION

THERE still is no check to the amazing period of expansion through which the Dominion is passing. During the nine months of the fiscal year the revenue has increased at the rate of \$1,000,000 monthly. For the period the total runs over \$99,000,000. For the last quarter of 1910-11 the receipts were between \$32,000,000 and \$33,000,000. Judging, therefore, by the rate of increase and the returns for the previous year, we should have a revenue for 1911-12 in excess of \$136,000,000. The expenditure, however, has kept step with the income. The total appropriations for 1911-12 were \$156,000,000. For 1912-13 the main estimates total \$150,000,000. The supplementary estimates to come later will bring the expenditure at least to the level of 1911-12. It is interesting to compare these figures with the expenditures of five and ten years ago. In 1903-4 the total appropriations were \$72,250,000. In 1908-9 we spent \$133,440,000. It is difficult in a period of expansion to enforce lessons of economy. All over the country there is a fever of land speculation. The Grand Trunk Pacific and Canadian Northern Railways are crossing the mountains to the Pacific, employing many thousands of workmen, and investing huge sums of money in construction and supplies. In the western provinces the three transcontinental systems are building many branches in an eager competition to occupy new territory and march with the advance of settlement. Probably there has been no such railway development in the history of any country, nor is there any parallel, even in the history of the United States, for the phenomenal extension of settlement in Western Canada. Ten years ago Winnipeg had 40,000 people. It now has 200,000. Seven years ago Saskatoon was a portage point on the Saskatchewan River. It now has a population of 15,000. In ten years Regina has grown from a few thousand people to 30,000,

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Calgary from a few thousand to 45,000, and Edmonton from a village to a city of 25,000. Saskatchewan has become the second wheat-growing state on the continent, and it is estimated that in five years its lands have acquired an added value of \$10 per acre. In the province there are one hundred million acres of land available for cultivation, with only five and a half million acres under settlement. In Winnipeg railway terminals that were designed to handle the increasing traffic for half a century are even now wholly inadequate, and as in many other seasons the crush of traffic is paralyzing the means of transportation.

During the year 351,072 immigrants entered the country. Of these 130,102 came from the United States and 175,000 from Great Britain. There was an increase of 20 per cent in the immigration from England and of 30 per cent in that of Scotland. In 1910 the total immigration was 311,084, and in this total was included 121,451 from the United States. There is a relative decline in the influx from continental countries and a relative increase in British over American immigration. Sir Edmund Walker, in his annual address to the shareholders of the Canadian Bank of Commerce, estimates that each British immigrant brings money and effects to the value of \$150 or \$200, each European to the value of \$10, and each American to the value of \$1,000. Here alone is a cash asset of between \$50,000,000 and \$60,000,000. Notwithstanding an unfavourable harvest season in southern Saskatchewan and Northern Alberta, and a heavy percentage of low-grade grain, the value of the western crop is placed at \$200,000,000. The estimates give 175,000,000 bushels of wheat, 180,000,000 bushels of oats, 35,000,000 bushels of barley, and 6,000,000 bushels of flax. We produced minerals to the value of \$105,000,000, to which cobalt alone contributed \$16,000,000. The building permits for Montreal totalled \$14,580,000, for Toronto \$24,374,000, for Winnipeg \$17,550,000, and for Vancouver \$17,652,000. Apart from the west, which so distracts our attention from the rest of the country, there was a generous

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return from agriculture in all the older provinces, and the product of the fields, dairies, and herds of Ontario still equals in value the aggregate production of all the western provinces.

Under the Borden Administration there is to be a material alteration in the methods of the Department of Immigration. It was the policy of the previous Government to direct immigration westward and practically to neglect the older provinces. It is now intended to co-operate with the provincial governments, to encourage settlement, for example, in the unsettled areas of northern Ontario, and to attract attention to the improved farms of Ontario, Quebec, and the eastern provinces, where, through the movement of population westward, many desirable homesteads are available in communities which possess all the conveniences and advantages of a settled and orderly civilization. Already there has been an organized investment of British capital in fruit lands in Ontario and a movement of American farmers into the southern peninsula. Attention is turning also towards the eastern provinces, where farms can be had on conditions which should be peculiarly attractive to British people and where associations are assured with a population as engaging and as interesting as can be found in the Dominion. It is also announced that the Dominion Government will co-operate with the provincial administrations in constructing main highways and in stimulating scientific agriculture in all its branches. Altogether, therefore, with revenues overflowing, with workmen continuously employed at high wages, with manufactures expanding, with banks showing earnings of from 12 to 20 per cent, with the traffic receipts of railways steadily increasing, and with the movement of immigrants into the country unchecked, Canada enters upon the new year with robust confidence and with no sound reason for apprehension, save, perhaps, over doubtful land speculation in the outlying areas of both eastern and western cities.

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IV. FRENCH IN THE SCHOOLS

THERE is a very active controversy in Ontario over the teaching of French in the public and separate schools of the province. As so often happens in Canada, the agitation has a sectarian, rather than an educational, flavour. The dispute, however, is not wholly between Roman Catholic and Protestant. Naturally enough, the extreme Protestant elements are hostile to the extension of French teaching. But they are hardly less angry and vehement than the Irish Catholic communities. These, under the leadership of Bishop Fallon, of London, contend that the bi-lingual schools are notoriously inefficient, and that English is deliberately subordinated to French. There can be no doubt that the Quebec hierarchy have steadily strengthened their authority over the whole Church in Canada, and that, even in such English-speaking provinces as Ontario, Manitoba and Saskatchewan, Irish Catholics feel the pressure of a resolute French ascendancy. Hence we are faced with a curious alliance between Irish Roman Catholics and the descendants of Ulster Orangemen to restrict French teaching and extend English teaching in the schools of Ontario, as well as with the interest of the German communities in the existing statutory provision for bi-lingual teaching. In the German communities, however, the native language of the children is employed only for the elementary classes, and the supremacy of English is frankly conceded. It is not so with the leaders of the French movement. They show some disposition to claim equality for the French language throughout the whole confederation under the old treaties, protected by the British North America Act, which guarantees the free exercise of the Catholic religion in Canada and certain rights enjoyed by the French at the cession; while beyond French teaching in the common schools, they now demand the institution of high schools in the French strongholds.

There are between 200,000 and 225,000 French in

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Ontario and 330 public and separate schools in which there is bi-lingual teaching. Many of the teachers in these schools are not properly qualified. Even French nuns from Quebec are engaged who use the text books of the French province. In some cases, however, this condition arises through the scarcity of teachers rather than through any deliberate design to evade the regulations of the Department of Education. The lure of the West, sharpened by materially higher salaries, has drawn many teachers to the new provinces. As a result, both in the separate and public schools of Ontario, many uncertificated teachers are employed. The test of examinations, however, shows that generally the educational product of the bi-lingual schools is unsatisfactory, and investigation proves beyond question that there is serious violation of the departmental regulations. The regulations provide that in "school sections where the French or the German language prevails the trustees may, in addition to the course of study prescribed for public schools, require instruction to be given in reading, grammar and composition to such pupils as are directed by their parents or guardians to study either of these languages, and in all such cases the authorized text books in French or German shall be used, but nothing herein contained shall be construed to mean that any of the text books prescribed for public schools shall be set aside because of the use of the authorized text books in French or German." Teachers are also required to use the English language in instruction and in all communications with the pupils in regard to discipline and the management of the school "except where it is impracticable to do so by reason of the pupil not understanding English."

At the last session of the Legislature a resolution re-affirming the existing statute and regulations was adopted unanimously. Subsequently a Commission was instructed to make "a careful and exhaustive examination of the condition of the schools." This report will be presented at the session of the Assembly which begins on February 7, and

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probably legislation will follow. There is a suspicion amongst the opponents of French teaching that the Government was not eager to have this report presented before the general election. It is believed the report will show that the law has been freely evaded and that new measures must be devised to compel its observance. Many members of the Legislature, responding to the heated condition of opinion which prevailed in various constituencies during the election campaign, are pledged practically to total prohibition of French teaching, and both Sir James Whitney and the leader of the Liberal Opposition have declared that the supremacy of the English language must be assured. It is pretty certain, however, that neither the Premier nor Mr Rowell will support the inhibition of French and German teaching for elementary classes. But both will have to deal with an extreme element amongst their supporters, and there can be no doubt that the whole issue is perplexing and disturbing.

The language is the strong bond of cohesion with the French element in Canada. Conditions very like those which prevail in Ontario are found in Manitoba, and threaten to develop amongst the many-tongued population of Saskatchewan and Alberta. In the eastern provinces there is also bi-lingual teaching, but in Nova Scotia there is a double system of inspection, and the checking by the English inspectors of the French officials, seems to have minimized the disadvantages of bi-lingualism. In Ontario, where the French schools are under the control of French inspectors, there is less certainty that the supremacy of English will be maintained, and possibly a remedy for any abuses that have developed will be found in co-operation between French and English inspectors or in the appointment of a staff of provincial inspectors for the French and German communities. It is strongly contended that English must be the dominant language of this continent, and that in so far as the schools fail to give the pupils a command of English a handicap is imposed upon a portion of the population. For thirty years,

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indeed throughout the whole of his public life, Sir Wilfrid Laurier has urged his compatriots to learn English, and it is remarkable that, at the height of this agitation over bi-lingual teaching in Ontario, the French Catholic School inspectors of Quebec have adopted unanimously a resolution in favour of English teaching in the primary schools of the province. The whole controversy emphasizes again the contrast between the spirit, the ideals and the methods of Canada and the United States. There one language and a national school. Here dual school systems and various languages. Loyal as we are to the constitutional settlement, possibly there is a common feeling amongst English-speaking Canadians that one school and one language are immense driving forces in the evolution of a nationality.

Canada, Feb. 1912.

THE HIGH COURT OF AUSTRALIA

“Federalism substitutes litigation for legislation.”—
Dicey, *The Law of the Constitution*.

THE action of the High Court of Australia, in declaring certain important Federal legislation invalid as being unconstitutional, has created a “storm centre” in the political world of the Commonwealth. It is inevitable that a tribunal which has the power to declare Acts of Parliament invalid, and which, like the High Court of Australia, has exercised that power with a free hand, should at times be drawn near, if not into, the vortex of politics. This has happened frequently in the United States of America, where the Supreme Court occupies a position analogous to that of the High Court in the Australian Commonwealth.

Australians generally are beginning to realize, and the democratic portion of the community, which is at present in the majority, to chafe under, the stern limitations which the federal form of government imposes upon legislative action. Accustomed to a political system in which the opinion of a majority of the electors has acted freely and directly upon all public questions, the veto by the High Court upon important economic and industrial legislation has inclined many to agree with a continental writer, who declares that he knows of no more striking political paradox than the supremacy of a small oligarchy of non-elected irremovable judges in a democracy.* And as statute after statute has been swept down by the scythe of the High Court the truth of Mr Bryce’s reflection, that the American Constitution (which is the prototype of the Australian Constitution) “tends to put stability above activity, and to sacrifice the productive energies of the bodies it creates to their power of resisting changes in the general fabric of the government”† has become startlingly apparent.

* Boutmy, *Studies in Constitutional Law*.

† *American Commonwealth*, vol. I, page 111.

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It is to be observed that none of the rejected Acts of Parliament were introduced by the Labour Party. They were all brought in and carried by the Government of Mr Deakin, who is now the Leader of the Opposition. But they were strongly supported by the Labour Party, which, with extraordinary assiduity and ability, had helped to prepare a soil favourable to new laws, designed for the benefit of the workers, and to control monopolies and trusts created for the purpose of exploiting the necessaries of life. The rejected measures, having received the support of all parties in Parliament, cannot therefore be called party measures. They are:

1. The Trade Marks Act 1905. A scheme for registering a worker's mark upon goods, so as to inform the consumer whether the goods were manufactured by Union or Free Labour.*

2. The Excise Tariff Act 1906, which sought to impose excise duties upon certain classes of manufactured goods, unless such goods were manufactured under conditions of remuneration of labour declared by both Houses of Parliament, or by certain specified industrial authorities, to be fair and reasonable, the object being to secure to the workers a proportion of the benefit resulting from the high protective tariff imposed in favour of the particular manufactures mentioned in the Act. This scheme was popularly known as "the New Protection."†

3. The Australian Industries Preservation Act 1907. This Act was aimed at the repression of monopolies and contracts which tended to restrain trade to the public detriment, and it sought to make these things illegal, even though confined to the domestic trade of the States. Held that, in this latter respect, the Act was unconstitutional.‡

Following these fatal blows came a number of decisions so limiting the operations of the Court of Conciliation and

*Declared unconstitutional: 6 C.L.R. 469.

†Declared unconstitutional: 6 C.L.R. 41. ‡8 C.L.R. 330.

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Arbitration, a Court created by Parliament to deal with industrial disputes, that the president, Mr Justice Higgins, himself a Judge of the High Court, has complained, from his seat upon the Bench, that the High Court has paralysed the usefulness of his court by surrounding it with a "Serbonian bog" of technicalities,*

"A gulf profound as that Serbonian bog
Where armies whole have sunk."—*Milton*.

Probably the electors would be more resigned to the burial of this legislation in the cemetery of the High Court, if all the judges had joined in making the funeral. But a most remarkable feature of the decisions has been that in almost every case the same three judges, Chief Justice Griffith, and Justices Barton and O'Connor, have signed the death certificate, while the other two, Justices Isaacs and Higgins, equally competent legal physicians, have solemnly declared that the Act has been buried alive. It is almost needless to observe that this difference of opinion is not the result of political bias in the party sense. All the judges are not only distinguished lawyers, but they are as high-minded and as absolutely independent as any judges in the world. No, the cleavage between the three first named judges and the other two is occasioned by a fundamental difference of opinion as to the purview of the Constitution Act. An interesting discussion on the divergent opinions of the judges is given by Professor Harrison Moore.† He points out that Chief Justice Griffith and Justices Barton and O'Connor approach the task of interpretation with a constant eye to the necessity of confining Commonwealth and States to their respective legislative spheres. The opinion of these learned judges being that,

*The kind of decisions of which Mr Justice Higgins complained may be found in *Australian Boot Trade Employés Federation v. Whybrow*, 10 C.L.R. 266, and *Rex v. Commonwealth Court of Conciliation and Arbitration, etc., ex parte Whybrow*, 11 C.L.R. 1.

† *Commonwealth of Australia*, 2nd edition, chapter on "Validity of Laws," page 369.

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“ if terms are used in the grant of particular powers to the Federal Government which, according to one interpretation, would, from their comprehensive nature, impair the federal character of the Union and establish in effect an unitary system of government, or which, according to one construction, are inconsistent with the maintenance of powers in the States which the Constitution elsewhere reserves to them, an interpretation is to be preferred which supports the federal scheme or the reserved powers of the States respectively”*

Chief Justice Griffith puts the position concisely in *The King v. Barger*, 6 C.L.R. 72:

“ If it is found that to give a particular meaning to a word of indefinite and possibly large significance would be inconsistent with some definite and distinct prohibition to be found elsewhere, either in express words or by necessary implication, that meaning must be rejected.”

This method of interpretation, says Professor Moore,

“ has been vigorously assailed by Isaacs and Higgins, JJ., The learned justices contend that the proper course is to give to the several terms defining the grants of power, their natural and proper meaning unaffected by any implications of restraint based upon the supposed powers of the States; and in the rejection of implied restraints upon powers, there is claimed the support of the Privy Council. The powers of the States reserved by the Constitution are merely what is left to them after the Commonwealth power has received its full interpretation; to construe the special grant by the residuary disposition is a clear inversion of the position, and is rather a judicial limitation upon, than an interpretation of, the grant of powers.”

It will be seen, on comparing these divergent views of the two sets of learned justices, that both believe them-

*Page 374.

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selves to be loyal to the Constitution, and admit that interpretation must be controlled by the legal relation, the vinculum juris, resulting from the federal compact. But they differ as to the vital basic principles which underlie the constituent Act. Dissenting opinions upon subsidiary questions are of daily occurrence in every appellate court, and individual judges range themselves, sometimes with one group and sometimes with another, according to opinion upon the specific case in hand. In law, as in other spheres, the sententious couplet of Mr Pope is applicable:

“ Our judgments like our watches go
None just alike, yet each believes his own.”

But we have here an enduring cleavage. An appreciation of the radical difference between these interpretative methods reveals how powerful an instrument interpretation is in shaping the development of the nation. Concrete illustrations are supplied by the defeat of the legislation above referred to. But the average elector has no time to study differing schools of interpretation, nor can he be expected to appreciate the balancing and adjustment of competing principles which occasion divergent judicial opinions. He thinks he sees a withering of “ The secret root from which law draws all the juices of life—namely, consideration of what is expedient for the community,”* and through his leaders he declares that, in some way or another, he will remove the obstructions which the Constitution, as interpreted by the majority of the High Court, places in the way of what he believes to be social and economic progress.

It must come, of course, in the long run to a count of heads; for whenever the mass of men firmly believe that a certain policy is for their social advantage that policy will somehow become the policy of the law. An attempt to meet the situation was recently made by the Labour Government now in office asking the electors, through the Referen-

* Holmes, *The Common Law*, 35.

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dum, to enlarge the powers of the Commonwealth Parliament in matters of commerce and industry. Space forbids any detailed reference to this Referendum. It must be sufficient to say that the additional powers asked for far exceeded what would have been necessary to validate the legislation vetoed by the High Court. The position "on paper" now is that, though it may be assumed that the electors would have granted the Commonwealth Parliament such additional powers as would have been necessary to validate the legislation, which was supported by all parties in Parliament, they will not give the larger grant of power desired by the Labour Party. Since the defeat of the Referendum several schemes have been suggested to resuscitate the popular reforms mentioned. The most feasible appears to be one suggested by Mr Holman, Acting Premier of New South Wales, which several of the State Governments have agreed to consider in conference. It is that the Parliaments of the States shall refer to the Commonwealth Parliament the matters involved in the industrial and economic legislation which has been declared invalid. This may be done under section 51, sub-section XXXVII, of the Constitution Act, which gives the Commonwealth Parliament power to make laws with respect to

"Matters referred to the Parliament of the Commonwealth by the Parliament or Parliaments of any State or States, but so that the law shall extend only to the States by whose Parliament the matter is referred, or which afterwards adopts the law."

In the heat of the Referendum campaign, sporadic suggestions were made that the Commonwealth Parliament might so mould the High Court as to secure the passage of the desired legislation. But, American precedents notwithstanding, the Commonwealth Parliament is, it is believed, too level-headed to commit itself to such an unconstitutional policy.

There is, of course, no doubt as to the power of Parlia-

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ment, in conjunction with the Executive, to pack the Federal Bench.

“ Even the Federal Judiciary is not secure from the attacks of the two other powers if combined, for the Legislature may, by statute, increase the number of Federal justices to any extent, since the Constitution leaves the number undetermined, and the President may appoint persons whom he knows to be actuated by a particular political bias, perhaps even prepared to decide specific questions in a particular sense.” *

But the question is not what the Parliament and Executive *can* do, but what, as guardians of the Constitution in their respective spheres, they *ought* to do. No sound constitutionalist of any party could regard without alarm the appointment of judges pledged to decide specific issues in a certain way. That such a thing is possible is perhaps the weakest spot in the Constitution. If the Parliament and Executive conspired to produce such a state of things it would, in practical effect, transfer the judicial power to the Legislature and the Executive. This would be a direct violation of the Constitution. It is a function of Parliament to organize the judicial machinery, that is, to create the Court; and it is a function of the Executive to appoint the judge and other officials. But neither Legislature nor Executive has any right, directly or indirectly, to control the exercise of the judicial powers, for the simple reason that the people have not deposited any part of such powers in either of these bodies. No part of the judicial power is, or can be, derived from the Legislature. It is derived direct from the people.†

It is not intended by these observations to suggest that there is any impropriety in the Government of the day choosing judges from its own side in politics, if the men chosen are suitable. No such self-denying practice has ever

* Bryce, *The American Commonwealth*, vol. 1, page 298.

† *Rhode Island v. Massachusetts*, 12 Pet., 728: *The Sewing Machine Case* 18 Wall., 577.

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existed in Great Britain or in any of the Dominions. Of the present judges of the High Court, the Chief Justice is the only one who was not a politician when appointed. Justices Barton, O'Connor, and Isaacs were all actually members of the Government which appointed them, and Mr Justice Higgins was a supporter in Parliament of the same side. In a Federal system, where judicial interpretation of the constituent law has a direct influence upon social and economic questions, and where, as we have seen, a fundamental and enduring difference of opinion as to the underlying principles of that law—a difference answering to the rival conceptions of political parties upon the same subject—exists upon the Bench, it is inevitable that the Bench must at times reflect to some extent dominant political opinions, that is, so far as the interpretation of the Constitution Act is a matter of political opinion.

“The Judicial Power cannot stand for a long time against the Executive Power. The judges, it is true, hold their places by an independent tenure, but they are mortal, and the vacancies will be filled by judges agreeing with the President in his Constitutional opinions.”*

Should new judges be appointed owing to the increased work of the Courts or to deaths or resignations among the present judges, it will, of course, remain to be seen whether they agree with the view of the Constituent Act taken by Chief Justice Griffith and Justices Barton and O'Connor, or with that of Justices Isaacs and Higgins.

If a majority is found for the latter view, a very important matter will have to be decided, namely, Is it competent for the High Court to reverse its own decisions? The question has been raised in the Court, but not decided. During the hearing of *Huddart Parker v. Morehead*,† on October 20, 1908, a previous decision of the Court was referred to, and the following colloquy took place between

* Daniel Webster, quoted in Pierce on *Federal Usurpation*, 89.

† 8 C.L.R. 330.

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the judges, as reported in all the Melbourne daily papers of that date:

Mr Justice Isaacs:

“I want to prevent any misconception. I should feel bound by that decision if sitting alone, but I don't feel bound, while sitting as a member of the Full Court. I shall deem it my paramount duty to deliver judgment according to what I think the paramount law demands. This Court is not in the position of the House of Lords, and the principle has not yet been determined by the Privy Council.”

The Chief Justice:

“That proposition of my learned brother has never been laid down by any Court before, and is altogether inconsistent with any principle of British Courts.”

Mr Justice Isaacs:

“But not American Courts.”

Mr Justice Higgins:

I too should feel bound by that judgment if I were sitting alone, but as a member of this Court I feel quite free to deal with the matter.”

The Chief Justice:

“According to this any decided point may be re-argued so long as anybody cares to raise it, and the result will be that business could not be carried on.”

Mr Justice O'Connor:

“Of course, a judgment may be reviewed; but as long as a decision stands, it is difficult to see how there can be any continuity in the interpretation of the Constitution unless it is followed. I shall follow any decision of the Court here in Constitutional matters, as in any other case.”

Mr Justice Isaacs:

“The American Court overruled the decisions of 100 years before.”

The Chief Justice:

“And that has been commented on not with admiration.”

The learned Chief Justice was, of course, mistaken when

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he said that the proposition of Mr Justice Isaacs has never been laid down by any Court before. Because, as that learned judge at once pointed out, it is the practice of the United States Supreme Court, as it is of the Superior Courts of every State in America, to reverse their own decisions when convinced that those decisions are wrong. The doctrine of the Supreme Court is that "A Court can reverse itself, and ought to do so, if a wrong result has been reached."*

In England the Superior Courts follow the practice stated by the learned Chief Justice. But the rule is not absolute, because should an erroneous decision have been made by a smaller number of judges than the full strength of the Court, *Kelly and Co. v. Kellond*,† is an authority for the propriety of reversal. In that case Lord Esher said:

"This Court is one composed of six members, and if at any time a decision of a lesser number is called in question, I think this Court is entitled to decide whether or not we will follow the decision arrived at by the smaller number."

This case was followed by the Supreme Court of Western Australia in *Kavanagh v. Claudius*.‡ In *Rex v. Ettridge*,§ the Court of Criminal Appeal in England overruled one of its own previous decisions. The Full Court of South Australia reversed one of its previous decisions in *Cuthbertson v. Swan*.|| Did time permit, other instances in which British Courts have reversed their previous decisions could no doubt be found. It is now settled that only legislation can alter decisions of the House of Lords.**

But no other Court of last resort has gone quite so far, it is believed, in disclaiming power to correct itself.††

* *The Genesee Chief*, 12 How. U.S. 443, 455.

† 20 Q.B.D. 569. ‡ 1906-7, W.A.L.R. 55.

§ 100 L.T. 624. || 11 S.A.L.R. 102.

** *London Street Tramways Co. Ltd. v. London County Council*, 1898, A.C. 375.

†† Pollock, *First Book of Jurisprudence*, 317.

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The doctrine of *stare decisis* has stereotyped much bad law, and has led to hardship and injustice in numberless single instances, but it is justified, because stability and coherence in successive adjudications are desirable, so that men may be able to ascertain with reasonable certainty what the Courts would decide as to their rights and duties. But it is, after all, only a doctrine of convenience. Its maintenance in British jurisprudence, to which it is peculiar, has no doubt depended largely upon the facilities available for correction. It is the fashion in the Law Courts to sneer at the ineptitude of law-making bodies. But the blunders of legislatures dwindle into creditable fewness when compared with the blunders of judges. Witness the bulky volumes of appeal cases.

The justification for finality in the decisions of the House of Lords is that, if offensive to the public sense of justice, the evil can be speedily remedied by Parliament, and, as everybody knows, this has frequently been done.

But in constitutional matters no such speedy remedy for mistakes of the High Court is available. True, it has power, under section 74 of the Constitution Act, to allow appeal in such matters to the Privy Council when in the opinion of the Court there are "special reasons" for allowing such appeal. But the Court seems very strongly inclined to hold that "special reasons" justifying leave can only exist in cases in which the public interests of parts of the Empire external to Australia are concerned.* Unless, therefore, the Court preserves the right to reverse its own decisions, the only method open to the community of obtaining justice, in case of mistake, is the slow and expensive process of amending the Constitution in the manner provided by Section 128 of the Constitution Act, a method which includes a Referendum. Common-sense seems to dictate that this is too high a price to pay to maintain the fiction of judicial infallibility.

* See *Deakin v. Webb*, 1 C.L.R. 585, especially the judgment of Justice Barton.

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Useful as it undoubtedly is in the Common Law sphere, in which it has been developed, the doctrine of *stare decisis* is out of place in constitutional controversies.

“It seems clear,” says Sir Frederick Pollock, “that a tribunal which, like the Supreme Court of the United States, is not unfrequently called upon to decide great political controversies under judicial forms could not tie itself down” not to reverse its own decisions “without risk of inconveniences far graver than any that can result from the opposite course.”*

Discussing the same question, Professor Willoughby, an eminent American jurist, says:

“Although for the sake of uniformity and certainty it would certainly be better that finality should extend to the constitutional principle, yet a Court is always fallible, and therefore it would be dangerous to say that by the decision in a single case a constitutional principle of great importance should be settled for all time. Political predilections cannot be entirely changed by elevation to the Bench. There always remains the possibility of an incorrect decision due to persistence of political bias in the members of the Court, to insufficient consideration and investigation, or possibly to the justices wholly failing to realize the full significance of their decision.”†

In his inaugural address in 1861 President Lincoln said:

“I do not forget the position assumed by some that constitutional questions are to be decided by the Supreme Court, nor do I deny that such decision must be binding in any case upon the parties to a suit, as to the object of that suit, while they are also entitled to a very high respect and consideration in all parallel cases by the other departments of the government, and while it is obviously possible that such decision may be erroneous in any given case, still the evil effect fol-

* *Jurisprudence*, 320.

† *The Supreme Court of the United States*, page 76.

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lowing it, being limited to that particular case, with the chance that it may be overruled and never become a precedent for other cases, can better be borne than could the evils of a different practice. At the same time the candid citizen must confess that if the policy of the Government upon the vital questions affecting the whole people is to be irrevocably fixed by the decisions of the Supreme Court the instant they are made, as in ordinary litigation between parties in personal actions, the people will have ceased to be their own masters, having to that extent practically resigned their government into the hands of that eminent tribunal.”

For these reasons it is submitted by the present writer that, in the interests of the Commonwealth, the High Court should preserve the right to reverse its own decisions, at least in constitutional questions.

In conclusion, it is to be observed that, though some constitutional amendment in the directions indicated in this article is desired by all political parties, they are all equally desirous of maintaining the Federal judiciary in its place in the Constitution for the preservation of the States in their rights of government, as well as to prevent legislative aggression by the States upon the Federal domain.

At an important conference of the Labour Party, recently held in Sydney, it was suggested that the party should make it a plank in their policy to deprive the High Court of its right to veto legislation, but the motion met with little support.

It is true, as pointed out by Professor McIlwain in his recent book, *The High Court of Parliament and its Supremacy*, that judicial interpretation is not a necessary accompaniment to a federal constitution. Neither in the German Empire, nor in Switzerland, is the interpretation of the Acts of the Legislature entrusted to the Courts. In Switzerland the Supreme Federal Tribunal is bound by the Constitution to give effect to Federal statutes. Such

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laws can only be challenged by the demand of 30,000 electors or eight cantons for a referendum. But however successful federation of such a type may be, the concept of a federal court as "the balance wheel" of the Constitution is too deeply embedded in our Australian notions of a true federation to be displaced.

Australia. 1911.

SOUTH AFRICA

THE DEFENCE BILL

IN common with the other Dominions, South Africa is turning its attention to the question of defence, and a Bill has been published, which will be introduced in the Union Parliament at its forthcoming session, for providing a force adequate, as it may be hoped, for the internal defence of the country, or at any rate as adequate as the resources of the country in men and money can make it. Whether the actual provisions of the Bill will give full effect to this intention may arouse differences of opinion. The object, however, is clearly laid down in an official explanatory memorandum issued by the Department of the Interior, and cannot be better stated than in the words there used:

“The first section enunciates the principle recognized and accepted by the people of South Africa from the earliest times, of every citizen’s liability to assist in the defence of his country. In attaining the high status of a self-governing State of the Empire, South Africa has achieved a position which compels her to assume a responsibility for her own defence—a responsibility hitherto shared to a large extent by the Imperial Government. It does not therefore now suffice merely to recognize in theory the liability of every citizen to defend his country in time of grave danger. The Union must insure itself in times of peace against the danger of war by arranging a proper and sufficient organization for defence, and if that danger actually arises, the Union must be able to meet it successfully with the least possible damage and loss.”

The Bill in its first section, therefore, imposes on every citizen the liability, between the ages of 17 and 60, to render personal service in time of war in defence of the Union in any part of South Africa, whether within or beyond the Union itself. It then proceeds to provide the

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necessary organization for enabling the citizen force to discharge its functions.

The first important point to be noticed is that, while enforcing on all citizens between 17 and 60 a legal obligation to serve in time of war in defence of the Union, the Bill does not propose to require compulsory military training of every citizen. It aims at creating, in the first place, what it calls an "Active Citizen Force," consisting of men between the ages of 17 and 25 who are undergoing a course of training. For this purpose every citizen between these ages is made liable to complete four years' peace training. It is not, however, intended that all citizens of the Union should pass through the Active Citizen Force. It is intended that that force should not exceed at any time 20,000 to 25,000 men. The necessary complement of men—at whatever number it may be fixed—will be found in the first instance by voluntary enrolment, supplemented by the ballot if a sufficient number of volunteers does not come forward. The ballot will apply to all citizens between the ages of 17 and 21, and those whose names are drawn for service will be required, unless physically unfit, to undergo the four years' course of training prescribed for the Active Citizen Force.

The course of training required is not a very onerous one. It consists first of a course of drill sufficient to enable the recruit to enter the ranks of the force, and after that of an annual continuous training of from eight to fifteen days, and a course of musketry, in which the whole force will engage, according to the various arms represented.

This force will constitute the first line of defence as far as the citizen force is concerned. It will be strengthened, however, by a permanent force of about 2,500 men, organized as a mounted military police force, with an artillery section. In ordinary times it will serve as a mounted police force, and, in case of emergency, will be a small but very mobile force which can be put in the field without causing the expense and dislocation of business involved

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in a mobilization of the active citizen force. In case, however, of trouble too serious to be dealt with by the permanent force alone, the active citizen force will be mobilized, and will, with the permanent force and the coast garrison force, to be described later, constitute the first line of defence of the Union.

As has been said above, it is intended that only a portion of the youth of the country between 17 and 25 shall be included at any given time in the active citizen force and undergo even the limited amount of training prescribed for that force. What provision, it may be asked, is made for those who do not undergo that training, i.e., for those between 17 and 21 who do not volunteer for the four years' course, or who, if a ballot is held, are not drawn for compulsory training, and for those who are over 21 when the Bill becomes law, and who therefore cannot be made to complete four years' training before they reach the age of 25? For these the Bill provides that every citizen who in his 21st year has not been entered for the four years' course of training shall from that year serve for four years as a member of a rifle association. Other citizens, i.e., those over the age of 21 when the Act comes into force, may, but need not, become members of a rifle association. These rifle associations will make their own rules, subject to approval by the Minister, and elect their own officers. Each member will receive from the State a rifle (which will remain the property of the State), and an annual allowance of ammunition, and will presumably be expected to attain a certain standard of efficiency in musketry. Service in a rifle association (if it can be called service) will not therefore do more, and it is not intended to do more, than enable citizens to obtain a fair knowledge of how to handle a rifle. In order to equalize to some extent the burden as between those who undergo the four years' course, and those who take the lighter course of the rifle association, a money contribution is exacted from the latter of £1 per annum for 24 years. This does not mean that anyone can

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escape the four years' training by paying £1 per annum. If a ballot is held for the active citizen force, every one whose name is drawn must come up when called on for the training course. But those who do not voluntarily serve in the active citizen force, and who are not drawn for it by the ballot, will have to submit to a sort of poll tax of £1 per annum for 24 years.

The second line of defence of the Union will be composed (i) of men not over 45 who have been through the active citizen force; (ii) of men not over 45 who have been, or are members of rifle associations; (iii) of ex-members of the permanent force and of the coast garrison force. Behind this is the third line or national reserve, comprising all citizens between the ages of 17 and 60 who are not included in either of the other two lines.

This is the scheme of organization of the internal defence of the Union, and it certainly cannot be regarded as imposing a serious burden on the manhood of the country. The four years' course of training will be over by the age of 25 years, and after that age men will not be compelled, or even have an opportunity, to keep themselves in training, except as members of such of the existing Volunteer corps as may be retained under the provisions of the Bill as part of the active citizen force. A large number of the citizens will not even pass through the training course at all, but will be satisfied with acquiring, as members of rifle associations, a certain amount of skill in using the rifle. These, if they are ever called upon to take the field, will do so without even an elementary education in the discipline and power of combined action which distinguishes an army from a mob.

Other points of interest which may be noticed here are (i) the arrangements for providing and training officers; and (ii) the provisions for naval and coast defence.

One of the most difficult problems in connexion with the organization of a citizen force is the supply and

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training of officers. In this respect it must be said that the provisions of the Bill are somewhat sketchy. There is to be, in the first place, a division of the Union into military districts, and each district is to be in charge of a staff officer, who presumably will be a member of the permanent staff of the defence department. He will be responsible for the registration of citizens liable for training, for seeing that they come forward for training, whether voluntarily or after ballot, for organizing rifle associations, etc. He will also act as chief staff officer of the troops of his district when they are in camp or in the field, and he will be required to give special attention to the individual training in professional subjects of citizen officers and non-commissioned officers of his district, though it does not appear that there is any obligation on these citizen officers to take advantage of this training.

This brings us to the ordinary regimental officers of the citizen force. These are to be appointed, as far as possible, by promotion from the other ranks of the force, and every officer accepting a commission will thereby engage himself to serve as an officer for twelve years from the date of his commission, unless permitted to retire before the expiration of that period. After five years from the taking effect of the Act every candidate for a commission will be required to satisfy the prescribed authority as to his capacity for leadership, his military knowledge and experience and educational attainments, and will also be required to undergo courses of instruction in professional military subjects, and thereafter to satisfy the prescribed authority as to his qualifications. For the first five years, however, it would not appear that any qualifications or standard of any sort is to be required. This, of course, may permit of the appointment to commissions in the citizen force of men who will make good officers, but would not be expected to pass any formal test. It also, of course, leaves the door open to appointments which may be made on other grounds than the interests of the force.

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The Bill empowers the Government to establish a military college, but, from the official explanatory memorandum, it is clear that it is not intended at present to do very much in this direction. The examples of Kingston and West Point are mentioned as being beyond the reach of South Africa at present. No doubt they are, but they also had a beginning. The Bill provides that from five years after the establishment of such a military college, a preference in the appointment to commissioned rank in the permanent force shall, as far as possible, be given to graduates of the college. Till then the Minister *may* order any persons who are to be appointed to such commissions to undergo such courses of instruction, and pass such qualifying tests as may be prescribed. And this, be it remembered, is for commissions in the permanent force and not the citizen training force. This legislation is of a type with which we have become very familiar in South Africa lately, where the legislature sees the right course and pays it the compliment of mentioning it as a possibility but takes great care not to impose it as an obligation, and leaves the executive government almost as free to act as if there had been no legislation at all.

The question of naval defence may be dealt with summarily, because the Bill makes no provision for it at all. The official explanatory memorandum on this point lays it down as a sort of axiom that "the main defence of the South African coast line, and the security of South African shipping must necessarily rest with the maintenance of sea-power by the British Navy." It does not go on from that to what appears to many to be a necessary consequence, i.e. that South Africa should materially contribute in one way or another to that "necessary maintenance of sea-power by the British Navy." At present the contribution of South Africa is a grant of £85,000, about which all that can be said is that it is better than nothing.

The Bill limits itself on this point to the obligation to

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undertake the military defence of the most important harbours of the Union, and for this purpose provides for the establishment, as part of the first line of defence, of a coast garrison force. This is to consist of an artillery corps and other units trained to engineer duties, signalling and telegraphy. It will be a volunteer force, but the members will receive pay after attaining efficiency in their duties. They will receive training, and in the time of war will act together with the appropriate units of the regular troops in South Africa. The Government is also empowered to make an arrangement with the War Office whereby units of artillery, engineer, or other technical corps may be lent to the Union Government for coast defence, being paid and maintained during such period by the Union. One of these harbours, it must be remembered, is Simonstown, which is an important naval base, and there the officer in command of the Union defence forces will act in concert with the senior naval officer.

These are the main points of the new scheme of defence for the Union—a scheme which is perhaps more remarkable for its recognition of the obligations of the country as regards defence, and its indications of the lines on which future organization should go, than for what it accomplishes in the direction of the actual creation of an effective force. Much—perhaps too much—will depend on the men who are appointed to the important offices, and on the spirit in which they undertake their work. At the present time there is in South Africa a very large number of men who have had actual experience of war, and these, under a sound system of organization, would provide the best possible material. But these men will gradually cease to be available, and then the country must depend entirely on the training provided under this scheme to put an efficient force into the field.

South Africa, January, 1912.

NEW ZEALAND

I. THE NEGLECT OF IMPERIAL AFFAIRS

SO far as Imperial affairs are concerned, the hustings have faithfully taken their cue from Parliament. If Sir Joseph Ward and Sir John Findlay had practically nothing to say to Parliament of the mission which took them to London a mission which was deemed in advance of sufficient importance to justify a serious disturbance of the Parliamentary timetable it was not to be expected that they would have very much to tell the electors about it. Neither the Imperial Council of State nor the Empire Parliament of Defence, nor any of the minor business of the Imperial Conference has been put before the electors. As there was nothing in the Conference programme demanding immediate legislation, there was no urgent need, from the standpoint of the practical politician, for pressing it upon the attention of the people. But Sir Joseph Ward has justified his advocacy of Imperial Federation before the Conference by the plea that he spoke as an idealist, knowing that the minds of men are not yet ripe for the change, but that they can never become ripe unless somebody gives them a lead. If he would only apply this principle to the education of his own fellow-colonists, he might do great things for us. What we need is not so much instruction in this project or that, as a general education in our relations and obligations to the Empire, a quickening of the sense of Imperial responsibility.

For it must be admitted that our Parliament is essentially parochial. We have the narrow outlook that goes with limited responsibilities. We feel that we are far from the heart of the Empire, and we believe that its destinies are guided by abler hands than ours. The minds of the people are sunk in the apathy which accompanies prosperity. Yet we are undoubtedly loyal. We have adopted universal military training, and it is working with less friction than might be expected. Moreover, in Imperial matters we rely too much on the power of the Mother Country, and lull our senses

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into a false security by repeating that England is bound to maintain an invincible navy, and that while Britannia rules the waves our safety is secured. At the same time, it was surely not to our Premier's discredit that the scheme which he submitted to the Imperial Conference was in advance of the opinion of his colleagues and of the Empire. That, however, he left the public opinion of his own country equally far behind, and has never made any attempt to bring it up to the mark—these are more serious defects. The strain of Parliamentary life in this small but strenuous country, and of the incessant partisan warfare which has to be waged even when Parliament is not sitting, seem to leave our politicians little time for Imperial thought, except when they are actually *en route* to represent us at an Imperial Conference. A General Election, though it is otherwise the time at which men's minds are most susceptible to new political impressions, unfortunately marks the most intense concentration upon purely local issues.

It was unfortunate that so few of our members of Parliament were able to accept the invitation extended to them to visit England at the time of the Imperial Conference, for it is impossible for even the most narrow-minded to meet the great statesmen of the Empire, and to be privileged to attend their counsels without partaking of some of that largeness and unselfishness of outlook which is the noble tradition of our Empire builders.

II. THE NEW ZEALAND ELECTIONS

NEW ZEALAND has just passed through the most interesting General Election of the last twenty-one years. It was on December 5, 1890, that the Liberals came into power, and under the successive leaderships of Ballance, Seddon and Sir Joseph Ward, they have held office ever since. Only once before 1911 was the existence of the Liberal Government considered to be in serious jeopardy, and that was at its first general election in 1893. So long a tenure of

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practically unchallenged power is too much for the virtue of any party or the welfare of any country. This truism applies with special force to a country in which the scope of state enterprise, and therefore of government patronage, is so multifarious and so far-reaching as it is in New Zealand. Under such conditions a government inevitably slides into some of the vices which the Greeks associated with "tyranny," and among the rank and file there is a tendency to apathy, fatalism, subservience, and a disposition to treat politics as a branch of the "art of getting on." The Government is voted for as a matter of course, partly as a sort of Universal Provider, and partly because to shift it seems beyond hope. Even at the General Election just decided, when the prospects of the Opposition seemed brighter than at any time since the beginning of the twenty-one years in the wilderness, the Government derived a large benefit from sentiment of this kind.

To describe exactly the issues of the General Election is not easy, because the lines of demarcation between the policies of the Government and the Opposition are very hazy. In general both parties accept the principles of the advanced legislation with which New Zealand began to startle the world in the early 'nineties. The Opposition would probably be less enterprising in this direction than the Liberals, but it has, nevertheless, had very little to say by way of censure on that legislation. It is at the administration of the Government, that the Opposition fire has been principally directed. Weakness and extravagance have been freely alleged, and constitutional reform has been freely proclaimed, which would free the Legislative Council—at present a nominative body—the Public Service and the administration of local Public Works from political control. These reforms, if faithfully carried out, would be of immense value, but it is probably more a steady waning of personal confidence in the leading members of the Government than an appreciation of the importance of these solid points that has swung the pendulum more

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strongly towards the Opposition than any but the most sanguine of their prophets expected.

Of the European members of the House of Representatives the Opposition have thirty-seven to the Government's thirty-three. But the addition of the four Maori members, who are all expected to support the Government,* makes the principal parties even, leaving the balance of power in the hands of four Labour men and two Independents. It is certainly in the public interest that so prolonged a monopoly of power as the Liberals have enjoyed should be interrupted, but it is unfortunate that the chances of any kind of stable and effective government should be so precarious.

Concurrently with the political campaign another has proceeded, which, in most parts of the country, has aroused an even keener interest. From 1896 onwards, a Local Option Poll has been taken triennially on the day of the General Election—an arrangement which has attained its object of securing a representative vote, but otherwise has not had a good effect upon either the liquor question or general politics. Each successive Local Option Poll saw a steady increase in the No-licence vote which was in a majority in most of the districts, but had only polled the three-fifths majority required to make it effective in twelve out of the sixty-eight licensing districts. On the present occasion the interest of the struggle was intensified by the addition of a Dominion Option issue. The effect of local No-licence is merely to cancel all licences for the sale of liquor within the district, but without interfering with the right of importation for personal consumption. The carrying of National Prohibition would totally prohibit the manufacture, sale, or importation of liquor, except for sacramental, medicinal, scientific and industrial purposes.

In consenting to the legislation which raised this extra-

* Polling for the four Maori seats took place after the general pollings, and resulted in the return of two Government supporters and of two Oppositionists. (Ed.)

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ordinarily drastic issue, the representatives of the trade had relied upon the retaining effect that it was calculated to have upon the moderate voter who was becoming increasingly accustomed to vote No-licence. The expectation seemed a reasonable one, but it has been signally disappointed. Almost equally complete has been the disappointment of the Prohibitionists who expected to extend the area of No-licence in the usual way, and, at the same time, to make a respectable showing in their first attempt with the larger issue. All these anticipations have been falsified by the paradoxical result.

In the local poll the Prohibitionists have been so seriously beaten that they have not captured a single licence. For the first time since 1899 the vote for Continuance is in a majority. On the other hand the Prohibitionists have scored wonderfully at the National Option Poll, and have come within measurable distance of complete success—the interest between the two polls is a paradox indeed. The figures, not yet absolutely final but not likely to be materially altered, are as follows :

	Local.		National.
Licence	235,325	Licence	203,686
No Licence	<u>231,053</u>	Prohibition	<u>258,170</u>
Majority for Licence	<u>4,272</u>	Majority for Prohibition	<u>54,484</u>

The result appears all the more astonishing when we find that at the three previous polls no-licence was credited with the following percentages of the aggregate vote : 1902, 48·88 ; 1905, 51·27 ; 1908, 53·45. Prohibition has now secured 55·9 per cent of the total vote, which is almost exactly what No-licence might have now been expected to reach under the old conditions. Why then has No-licence itself suffered so serious a reverse ?

The explanation of the paradox is to be sought in the democratic passion for equality. The opportunity which the law formerly afforded of reducing licences by 25 per cent was increasingly neglected because of the feeling that reduction gave some licensees an unjust preference over

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others. A similar sentiment is now evidently operating in favour of complete prohibition as against local No-licence. Complete prohibition recognizes no invidious distinction between one district and another, or between one class and another. It is, therefore, more to the democratic taste than any paltry half-measure. Lastly it is worthy of remark that the women's vote has done as much as anything to swell the demand for Prohibition, though this is the only outward and visible sign of their influence in politics.

III. THE RISE OF LABOUR AND THE SECOND BALLOTS

FROM an outside standpoint, the most interesting features of the campaign are the sudden rise of the Labour party, and the confusion and uncertainty created by the second ballot when there are more than two parties in the field. The striking contrast between Australia and New Zealand in regard to the political status was so fully described in the November number of *THE ROUND TABLE* that no further description is necessary. During the period when its enterprise in the matter of Labour legislation attracted the attention of the world, New Zealand was without any special representation of Labour as an independent political force, and that omission has continued to date. But the efforts to consolidate the forces of Labour, which were described in the November article, have now met with a large measure of success. At the General Election of 1908, Labour secured a single representative, elected on the second ballot, mainly by Liberal votes; and in no other constituency did a Labour candidate come at all near even to the second place. But in the General Election which opened on December 7 six labour candidates secured positions in the second ballot, and in seven other cases a Labour man was second on the poll. The vote of Labour rose from 14,000 in 1908 to a total which is variously estimated at from 37,000 to 56,000, according to the classification of

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candidates adopted, representing an increase ranging from about 160 per cent to 300 per cent. In the second ballots Labour secured four seats.

In addition to this, Labour was able to exercise a preponderating influence in the final contest for several seats in which it had no candidate in the Second Ballot. In Parnell the goodwill of the defeated Labour candidate failed to save Sir John Findlay, the Attorney-General, from defeat. In several other places its support saved the Government candidate from defeat. It must be confessed that the rise of the Labour party has introduced a decidedly unedifying element into the Second Ballot campaigns. At the first trial of the Second Ballot, three years ago, there was some evidence of collective bargaining and wire pulling in the competition for the goodwill of the candidates rejected at the first ballot. But the intrusion of a third party has inevitably aggravated these evils on the present occasion. A Labour candidate who has previously devoted much of his time and energy to denouncing the Government, suddenly finds unsuspected virtues in the Government when he has to run off the final heat with an Oppositionist. Conversely, the Oppositionist who is vying with a Labour man for the votes which went to Government candidates at the first ballot, finds that there is really a close kinship of principle between Government and Opposition, and that differences of method should not be allowed to divide them in the presence of the new intruder from the depths of democracy. This sudden discovery on the part of men who had previously been proclaiming the ejection of the Government as the supreme demand of the hour, is interesting and amusing. It is hardly necessary to add that Government candidates are liable to a similar change of tone when the exigencies of the Second Ballot campaign demand it.

If our politicians could be habituated to the practice of discovering and proclaiming the political virtues of those who are normally opposed to them, the effect would be a

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very desirable alleviation of the asperities of public life. But the sudden, streaky, intermittent fashion in which the process is promoted by the Second Ballot provides more entertainment than edification. The Second Ballot has never been popular, and can hardly survive the strange exhibition of its weakness where there are three parties in the field. Public opinion would not support a reversion to the old system, which allowed a candidate to secure election by a minority of votes, if the opposing forces were divided. But a method that would allow a majority vote to prevail at a single operation by giving the electors the right of expressing an alternative preference is said to be finding favour with the Cabinet, and would certainly be approved by the people.

IV. THE COMPULSORY TRAINING SCHEME

THE subject of gravest Imperial concern which the electors have had to consider is the defence question. The principle of compulsory military training was adopted by our Legislature in 1909, all boys and young men between the ages of 12 and 21 years being rendered liable. In 1910 the age limit was extended, in accordance with the requirements of Lord Kitchener's scheme, to 25 years, with a nominal liability to further training in the reserve until the age of 30. As described at length in the May (1911) number of the ROUND TABLE, the adoption of the compulsory principle in 1909 was the outcome of a strong popular agitation, and was almost universally approved; but the extension of the age limit was somewhat dubiously accepted on expert authority, without any popular enthusiasm. In neither case, however, did the Bill meet with any very strenuous opposition. Such opposition as the scheme was destined to receive was reserved until the Government set about enforcing the obligation to register in June last. Some of those liable to register omitted to do

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so; the pace was quickened by the institution of a number of test prosecutions, all of which resulted in convictions, except when the defendant had anticipated the judgement of the Court by registration; but a few, as mentioned in the last ROUND TABLE, remained obdurate even after conviction. Naturally disliking this part of the work, and finding that a sufficient number had registered to satisfy the requirements of Lord Kitchener's scheme, the Government dropped the prosecutions. Replying to a question on the subject in the House of Representatives on October 6, Mr J. A. Millar, who in Sir Joseph Ward's absence had taken charge of the Defence Estimates, said "that there had been no prosecutions for some time, but there had been very-few refusals to register. He did not anticipate that there would be any further prosecutions, but no absolute rule could be laid down. There might be special cases in which prosecutions were necessary."

In justice to Mr Millar it should be said that he had been compelled by the Premier's illness to take charge of the Defence Estimates at very short notice. But the effect of his somewhat weak statement, which assumed a still weaker guise in some of the newspaper reports, was to give great satisfaction to the opponents of the scheme. They found in it just the confirmation they desired of the inference that they had previously drawn from the inaction of the Government. Major-General Godley, the Commandant, has however, since put the matter in a clearer and much more reasonable form. "The situation in regard to registration," he says, "is that the policy of the Government is not to prosecute. They do not wish to prosecute if it can possibly be avoided, and they hope that the scheme will go on without any necessity to prosecute. But the law must of course be upheld, and, if necessary, legal proceedings will have to be taken. The Government wish to give everybody a chance of fulfilling his duties without submitting him to the indignity of Court proceedings." This statement of the

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case puts it as it should be put, and may be taken to represent the mind of the Government. A law which is not to be enforced is little better than a farce, and it is perfectly clear that attendance at drill, as well as registration, may need the aid of the Courts when the scheme is further advanced.

Mr Millar's statement that "there had been very few refusals to register" was received with a scepticism that was by no means confined to the enemies of compulsory principle. Certainly not a large proportion of the defaulters who have been summoned have proved recalcitrant, but the refusal to register on the part of those who have not been prosecuted has been quite commonly regarded as wholesale. In Australia the registrations seem to have fallen short of the estimate by about 25 per cent. Here the deficiency appeared to be about the same, and 13,000 has been accepted as the number. It seems, however, fairly clear that the Department has rather erred in its mathematics than in its administration. It has indeed been most assiduous in inculcating the duty of registration. Advertisements and communications to the Press have been freely used for this purpose. Area officers have been very careful in their inquiries, and where necessary have conducted something like a house-to-house canvass for the purpose of explaining the provisions of the law. So thoroughly has this work been done, and so ready has been the response, that it is probable that 5 per cent rather than 25 per cent would be a reasonable estimate for the proportion of defaulters. One reason why the larger figure has been accepted is that the Department's original calculations had proceeded upon too sanguine an estimate of the number of available recruits. Another reason is that owing to the shifting nature of the population about 20 per cent to 30 per cent have changed their residences since they registered, and that therefore the notices summoning them to attend have not reached them. An authoritative correction of this blunder is imperatively needed, for the general impression that there has been

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wholesale violation of the law has discouraged its supporters and stimulated its enemies.*

No elaborate argument is needed to expose the fallacy of a contention which is repeatedly urged upon the Government, viz. :—that because a force of 30,000 men is assured the defaulters need not be “rounded up.” Lord Kitchener was emphatic in his insistence that the “recruits should be drawn impartially from all portions of the country, and from the whole of the community,” and that “the State should get the best men available.” There is clearly no guarantee that the State gets the best men available, unless it gets all the men to choose from, and it is just as clearly a hardship on those who have responded to their country’s call that their chances of exemption should be taken away by exemptions claimed in defiance of the law. On the other hand, it must be conceded that we are not a German State accustomed to the regime of the Drill-Sergeant and the Gendarme, and that too rigid an enforcement of the law in the initial stages of the administration might easily

*DEFAULTERS LIST.

TERRITORIALS.

	Not registered.	Registered, but refused to take oath.	Oath taken, but refused to come to parade.	Total.
Auckland . .	5 [†]	339	24	368
Canterbury . .	43*	No return	No return	43
Otago	1	19	43	63
Wellington . .	4*	42	9	55
SENIOR CADETS.				
Auckland . .	0	26	0	26
Canterbury . .	—	No return	No return	—
Otago	0	8	1	9
Wellington . .	—	No return	No return	—
Total	53	434	77	564

* Includes Senior Cadets.

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excite a dangerous reaction. With the tactful management in which Major-General Godley, by universal admission, is not to be surpassed, the scheme may be expected to forge steadily ahead, and gather momentum as it proceeds. When its success as a going concern is already obvious, its demands may gradually be made more exacting, with little risk of inconvenience. The approach of the General Election is another matter which has naturally made the Government very careful not to force the pace too much. The choice was between making martyrs and political enemies at a very awkward time, and tolerating a considerable amount of slackness, and they have chosen the latter—for the present. Now that the elections are over, we may expect whatever Government is in office, to lessen by degrees the gap between the demands of the law and the compliance of those on whom it calls.

There is at least one thing of which the elections must surely have convinced the most timid of politicians. There has been no indication of the general revolt against the compulsory principle which was noisily threatened a few months ago. The anti-militarists have done their worst, and it has not come to very much. No doubt it would have been much worse if the Government had at once treated every defaulter as a criminal. One of the strongest supporters of compulsory training is Sir Arthur Guinness, the Speaker of the House of Representatives, whose advocacy of the principle did not prevent his securing a majority of more than a thousand over a Labour candidate in what is largely a mining constituency. In reply to the question whether he favoured the imprisonment of defaulters under the Defence Act who refused to pay their fines, Sir Arthur Guinness stated, at one of his meetings, that "he believed the provisions of the Defence Act should be carried out, and that the authorities should not make fish of one and fowl of another." The reply of the organizer of the New Zealand Federation of Labour was that "if the Government enforced payment of fines by imprisonment or by attachment

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of defaulters' wages, he would paralyse the industries and business of the whole of New Zealand." But even if the New Zealand Federation of Labour is fairly represented by its organizer, it certainly does not represent the workers of New Zealand. It is a socialist organization, which has little more respect or affection for the trades and labour councils and the Labour party than for the capitalists. The party, as a whole, is not definitely opposed to compulsory training, though a hostile resolution was carried by a small majority at its conference two years ago. Its candidates at the General Election have not been unanimous on the point, and the example of the Australian Labour party, which has undoubtedly done much to stimulate their recent successes, is likely to co-operate with the sense of responsibility which power always brings in inclining them to a truly national view of this question.

Not only has the compulsory principle survived the General Election, but it has never been in serious jeopardy. The hostility to the principle appears to have been most active in Christchurch, which, for some reason or other, has often been distinguished by a brilliant and aggressive but doctrinaire radicalism, and has now been made the headquarters of the Anti-Militarist Council. The referendum which is described by our Minister of Labour, Mr J. A. Millar, as "the sheet-anchor of the shuffler," has been hailed by some candidates in and round Christchurch as a convenient escape from a definite pronouncement upon an embarrassing question. But in most constituencies the main question has not even been felt to be embarrassing, though even such vital details as the time and mode of enforcement present problems of considerable difficulty. Not the compulsory principle itself, but the age limit, is the principal matter which has been canvassed by candidates and electors. As already mentioned, the popular agitation, which culminated successfully in 1909, aimed at making military training compulsory and universal up to the age of 21 years. This end having been attained by the Defence Act of that

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year, the substitution in 1910 of a partial scheme, with the age limit extended to 25 years, failed to excite any strong public enthusiasm; but it was accepted, after some hesitation, by the Government, and Parliament, as an essential part of Lord Kitchener's recommendations.

The proposal to extend the age limit from 21 to 25 years was carried in the House by 39 votes to 22. Even, however, of those who acquiesced at the time a considerable number were not convinced, and their objections figured very freely in the early debates of last session. The matter was brought to a head in a very surprising way when the Defence Estimates were before the House on October 6. Replying to the argument that the change made by the Act of 1910 should be repealed, the Minister in charge, Mr Millar, said :

“ It might be that four years' training would be sufficient to make a man absolutely efficient, and in that case the young man would pass into the Reserve force at the age of 22 years, and he could go, there being then no necessity for him to undergo compulsory training up to 25. If the establishment was maintained at 30,000, and the men were reported efficient at 22 years of age, there would be no need to increase the number or train beyond that age. There would be no necessity to alter the Act for the purpose of reducing the age; if it were decided to bring the training age down to 21, it could be done by regulation. If the men were rendered efficient by three years' training, the age could be limited to 21. In the first lot called up there might be a few men of the age of 23 or 24 years before they passed into the Reserve ; but as the scheme evolved, other men could probably get out at 22.”

It was difficult to suppose that so serious a departure from Lord Kitchener's scheme could have the approval of the commandant who was appointed to carry it out. But Mr Millar expressly stated that the Government was “ acting on the advice of the military authorities,” and regulations, under which a man who proves himself efficient after four

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years' service in the Territorials can be transferred to the Reserve have been gazetted. Previous commandants have been forced by political pressure to stultify themselves into impotence, but nobody believes that General Godley would accept such a position. A change which looked as though it would hit Lord Kitchener's scheme in a vital spot is, therefore, supposed to have General's Godley's full approval, and that is quite enough. It appears, indeed, to be the view of the Department that, as soon as the scheme is in full swing, it is more likely to suffer from "an embarrassment of riches" than otherwise.

Lord Kitchener's recommendation of a force of 80,000 men for Australia worked out, on a population basis, at about 20,000 for New Zealand, just the number which had been fixed by the Defence Act of 1909. The original proposal of the Government, after receiving Lord Kitchener's report, was a territorial force of 18,800 men, and they have not received all the credit that they deserve for their decision to increase the number to 30,000. The opinion of the Department is that at the present rate even this number will be soon exceeded, and the discretionary reduction of the age limit is said to be the result, not of political pressure, but of the desire not to exceed the liberal limit of 30,000.

One excellent result of a change which caused some searchings of heart among the thorough-going supporters of the scheme is that it has kept out of the arena of party politics the one feature of the scheme which might have led to serious controversy. There is, as Mr Millar says, no need to alter the Defence Act for the purpose of reducing the age limit, since it can be done by regulation, and there has been no need for any election wrangle on the subject, since the regulation conceding practically all that was desired in the way of reduction was made before the dissolution. By statute the obligation to military training is universal, and extends to the age of 25; by regulation it is only universal during the cadet period, i.e. from 12 years of age to 18, after that it is to be applied to about one-third of the men

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available, and only till they reach the age of 22. There are still difficulties to be overcome before the scheme is in full operation, but the omens are favourable. It has come unscathed through its first general election, and, though the Government's administration offered in many respects a tempting target for criticism, party feeling, which has run very high on other subjects, has left this one almost entirely alone.

New Zealand. January, 1912.

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A QUARTERLY REVIEW OF
THE POLITICS OF THE BRITISH EMPIRE

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THE DURBAR AND AFTER

WE stand now at a sufficient distance from the great spectacle of last December to be able to sum it up fairly in its intentions and results. Our eyes are no longer dazzled by the flash of electric lights and gold and steel, nor our ears stunned by the reverberating echoes of sudden administrative convulsions. We should be able now to judge critically how far the purpose of those who conceived the Durbar has been fulfilled, and what results for good or evil the King's coming to India has had.

There is no doubt what the King came to India to do. He desired to revive in the most powerful manner the personal conception of sovereignty, which is as yet perhaps the strongest bond that holds India within the Empire. The worst consequence of the political agitation of recent years had been that it was imperceptibly transforming the conceptions of both rulers and ruled. For generations the Englishman had learned to think of his association with India as a high task of destiny, honourable because he was impelled to it by forces outside himself, and because the only effective verdict on his performance was his own consciousness of success or failure. For an equal time the native races had accepted the Raj as the plain but inscrutable provision of Providence for the discipline of the country. This element of idealism in the minds of both did much to keep their relations on the right lines. But the fact that progress and stirrings of national spirit must begin with the intelligent, and the unhappy accident that intelligence in India is too rarely associated with magnanimity, or straightforwardness, or courage, meant that the early manifestations of nationalism often took unworthy form.

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The venom of native newspapers, the malice of professional politicians, and, perhaps most of all, the covert slanders of Indian counsels in the law courts tended to arouse the worst rather than the best in the British character. The Englishman is not good at verbal controversy, and he does not suffer unjust obloquy with meekness. The result was a tendency to lower the whole conception of the administrative task. It began to sink from an Imperial duty into a stipendiary vocation, and English officials began to reckon the discomforts of heat and isolation, and the worries and cares of life closely against the pecuniary returns which these represented. And, for his part, the educated Indian not merely forgot the blessings of the long, unbroken peace and progress which he owed to the English (which was natural enough, for these things are impersonal, and gratitude is a personal emotion), but he forgot also the endless examples of personal kindness or devotion or disinterestedness which he had hitherto generously acknowledged, and which make the record of the English, as told in India, so largely a series of personal anecdotes. He, too, began to translate services into rupees, and to persuade himself that the motives of his administrators were mercenary and sordid. Government, which Oriental thought has always honoured, and Greek philosophy has called the highest of human tasks, was falling from her high place to a level of the forum and the market, and in danger of becoming a mere matter of demand and supply and of the clash of intelligences. The divinely ordained, patriarchal, ethical relation was passing into something new and strange—commercial, competitive and intellectual.

It was the King's purpose by coming himself to India to appeal to the untouched loyalty of the princes and peoples of the Empire, and to convince them by his manner, actions and utterances of "his sincere and profound regard." He was to set before his officers in India a fresh example of sympathy with and affection for his subjects, and he was also to identify himself in Indian eyes with his

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officials, and to make it plain that uncorrupt and disinterested service enjoyed his approval and confidence and support.

Well, indeed, may the King have expressed himself as satisfied with the welcome he received. Every one knew that the Indian conception of kingship was different from our own; that it was thought of as a divine institution, a sacred office, not to be assailed or criticized without a tinge of impiety; and that Indian eyes would see the attributes of the office incarnate in the holder. It was easy to conjecture, from recollections of two visits made by Heirs Apparent, that the coming of the Sovereign himself would evoke a great wave of joyful and passionate emotion. But perhaps few people realized how general and how deep was the feeling of the Indian people for their King. It was a common saying in men's mouths that the land had long been widowed and that the Royal visit was like a bridal procession. The disappointment of thousands at the State Entry, who looked to see the sovereign seated in the carriage under the gold umbrella, and failed to recognize him riding in military uniform in a group of other generals, amounted to consternation. The people could not imagine that they had missed the King; many believed that he was not there at all, or else studiously concealed from sight. It was only on the second day, when the memorial to King Edward was unveiled and the King and Queen were seen together in the Royal carriage, that the disappointment was abundantly made good. From that time onwards, to the closing scene, crowds gathered and waited happily for the briefest glimpse of the royal presence. Among all pictures of the stately pageant, there were three which testified particularly to the feelings of the crowd. After the Durbar had ended, the tired and thirsty multitude on the spectators' mound could be held in bounds no longer, and surged into the arena and mounted the royal pavilion. From a distance it looked as if thrones and embroideries and hangings must be wrecked in a rush of trophy-hunters. But on the steps of the holy

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place the crowd were restrained by most profound respect: bowing to the empty chairs, and some even collecting pinches of dust from the marble floor to scatter on their heads. Again, when the King walked back across the polo grounds on his way from the soldiers' football match, there was an excited race from the corners of the immense ground to make a pathway along which he could pass. And when the King and Queen, robed and crowned, appeared on the marble terrace of the Fort the delight and fervour of the myriads in the People's Fair below the walls made a most stirring picture. Processions meant to carry their banners in order past the thrones, stood stock still to gaze, and had to be urged on with more than exhortations. An enquiry made of those who returned from Delhi always was, "How often did you see the King? How close did you get to him?"

That Delhi should have rejoiced exceedingly is natural enough. A better testimony to the general feeling was the enthusiasm with which the Durbar day was celebrated in hundreds of thousands of villages and towns which would never see the King. Ceremonial is common and popular in India, and at first it was pardonable to question how far the general celebrations on December 12 expressed a real emotion. Some element of alloy was inevitable. To couple with the King-Emperor's name the remission of rents, which were in any case irrecoverable, is an easy act of devotion; and long expensive telegraphic greetings often disclose the self-advertiser more plainly than they declare the loyalist. But those who understand their own people best say that they have known no day like December 12, 1911. To participate in the celebrations was an act of personal service to one's king; and so the hauling of water or the building of mud walls was stopped, and even the poorest begged a few drops of oil from his neighbour to contribute a couple of earthen lamps to the illuminations. The feeling in every mind was that the King had done India a great honour and kindness in coming so far for the people to see him, and that

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it behoved every man, to the extent of his means, to show himself appreciative and happy.

Even the solitary incident which momentarily ruffled the success of the visit, when the Gaekwar's obeisance fell short of what ceremonial required, had exactly the opposite effect from what its author intended, if there were any discourteous purpose present in his mind. The Gaekwar apologised, and his explanation was officially accepted. There was passing astonishment both at the default and at its condonation; but the general feeling was that if leniency had been shown it was another proof of the King's kindness and his disinclination to let an isolated and unimportant act of rudeness seriously disturb the contentment and felicity of the ceremonies. Nor did Calcutta, the newly discrowned city, and the centre of the effervescence of Bengal, fail for one moment in the warmth and enthusiasm of her welcome. From first to last the King's utterances in India were marked by deep and genuine feeling, happily and wisely expressed. When he told Calcutta that she could never be otherwise than the leading city in the eyes of men, or when, in bidding farewell to India, he bade its people be of good hope for the future, the King struck chords that will re-echo for many years in the memory of India. He left India having done splendidly what he came to do. He had demonstrated his courage, his trust in his Indian subjects, and his hearty solicitude for their welfare and happiness. He had shown them the Imperial Government, not as an enormous, impassive piece of machinery, but splendid with magnificence and colour, and animate with sympathy and feeling. He had drawn to himself the hearts of all who saw him, and done a royal service both to India and to the Empire.

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II

IT was only when the King left India that men felt free to discuss the changes which were announced at the Durbar. "Boons" were eagerly expected in the Royal speech, but the announcements which really deserve the name have gone almost unnoticed in the wonderment at greater changes. That some extension of education should be announced was foreseen, and the allotment of a third of a million pounds, though a noble gift, was no more than might have been expected. The grant of half a month's pay to all officials on small salary was a simple benefaction of the right kind, appreciated by thousands as a personal largesse from the Sovereign's hand. And the opening of the Victoria Cross to sepoys was a tactful and timely concession, perhaps too long withheld, which was relished as an indication of the King's trust and esteem. But none of these things have struck the imagination like the decision to remould Bengal, and to transfer the seat of Government to Delhi. As a demonstration of Imperial power these have made everything else forgotten.

The story of the partition of Bengal is almost ancient history now. The chief conditions of the problem, however, can be readily recalled. Ten years ago Bengal was the largest and most thickly populated province in India. It contained over seventy million human beings and the second city in the entire Empire. The climate of its seat of Government was enervating, except for a brief two months in the cold weather, and the burden of work always tended to curtail the period of the Government's stay in the hills. This titanic charge was administered by a single Lieutenant-Governor. He had three civilian and two engineer secretaries, who prepared cases for his decision, and tendered such advice as their experience and qualifications suggested: but for every act of government, whether he personally directed it or not, a single administrator was responsible. The result

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was that he was notoriously overworked, and perforce left much to secretaries. The press of more insistent business in an age of political growth and commercial expansion left the Lieutenant-Governor small leisure for surveying the quiet every-day needs of the province. There was a tendency to overlook the needs of remote unhealthy districts; and not to treat them fairly as regards staff or supervision or expenditure. This was especially true of Eastern Bengal, where there was a large Mohammedan population, whose ignorance and debased condition was, perhaps, the most serious blot upon the administration of the time. So much for Bengal. Alongside it, shut off from the sea, was Assam, largely a tea-growing province, desiring expansion and a port and railway of its own. It was governed by a Chief Commissioner, who had no permanent staff at his disposal, but relied on men drafted from Bengal for limited periods of service, too short for them to know local conditions properly. Exile in Assam was unpopular. Bengal men knowing that promotion cometh from the south were loth to go to Assam and glad to leave it. Assam not less than Eastern Bengal was not getting fair treatment. The obvious remedy was to cut off a slice of Bengal and give it to Assam, and to create a proper machinery of Government for the enlarged province. This is exactly what Lord Curzon did, and his measure, for reasons largely extraneous, aroused quite unexpected and unnecessary outcry.

In the first place the partition was denounced as having been matured in secret. There is faint truth in this. At first, genuine pains were taken to consult opinions and to invite criticism. But fear of expense made the scheme as at first put forward a half-hearted one; Assam was to gain but little territory and very little administrative apparatus. No one was either very excited or very enthusiastic about this. Then Lord Curzon's government, disappointed that their project had met with no better reception, decided that the mistake lay in want of courage. They would go further, make the provinces more nearly equal, attach the neglected Moham-

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medan districts to Assam, and raise the new province to full rank with separately recruited cadres *cadies*. But though Lord Curzon toured in Eastern Bengal and made speeches in which he "foreshadowed" the larger project, his Government either through insouciance or weariness never did invite criticism upon their revised proposals; and to this extent the adversary had reason for saying that he was kept in the dark.

But meanwhile stronger feelings had been aroused. The Bengalis who had had a monopoly of place and power, resented the candid attempt to give the backward Mohammedans their place in the sun. In an unguarded moment, also, Lord Curzon let it appear that, if the measure did have the effect of lessening the political importance of the Bengali community, he would not regard that as entirely a misfortune. Then the storm broke forth. At his first coming Lord Curzon had been a hero to the Bengalis; and he in his turn, perhaps, had entertained exaggerated expectations of them. The scandals of the Calcutta university and the Calcutta corporation, two institutions which had been largely left to native management, opened his eyes, and he developed rapidly into an emphatic critic who did not trouble to temper his words. A speech at Convocation on the subject of the unfortunate undervaluing of truth by Orientals ended his popularity dramatically. It wanted only the partition for the Bengalis to invest him with almost demoniac attributes. They drew pictures of him as an executioner severing "our Golden Mother" with a bloody axe. Reason was useless against such an outburst. It was vain to assess or conciliate the material interests really prejudiced, when Bengali sentiment shrieked against the measure as a dishonour and a degradation, and invoked fictitious memories of a glorious national past and exotic analogies from Italy and Poland. The Bengalis are a race; they have never been a nation. "Motherland" is itself said to be an importation from Western literature. Unreal as such outcries were, however, they expressed a true perception that the Bengal community,

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the fluent, intelligent, self-important critics of Government, would certainly be less effective when their energies were diverted against two administrations than when they were concentrated on one.

The partition was affirmed rather grudgingly by Mr. Brodrick. A new province called Eastern Bengal and Assam arose, with a population of eighteen million Mohammedans and twelve million Hindus; and a new Lieutenant-Governor and a picked staff worked hard under every kind of obloquy and opposition to organize it and to set it on the path of material progress. Meanwhile the agitation against the partition went on. The appeal to the sentiment of motherland gave a great impulse to the *swadeshi* movement, which intended originally as a sort of legitimate protection for native wares, developed into a systematic boycott of British goods. Political gatherings, to which schoolboys and students were garnered, led to riot and attacks on property. Secret societies sprang up with the common intention, in varying degrees, of procuring the reversal of the partition, until the agitation against it became merged in the wider disorder which culminated in assassinations.

Three times the opposition gathered fresh life. Once in the course of the Curzon-Kitchener controversy, when Mr. Brodrick referred to the partition in terms that almost implied that the Home Government had been unwilling accomplices, again when the Liberals came into office in January, 1906, and again later in the same year, when provincial opposition and lack of confidence at Simla drove Sir Bampfylde Fuller, the first Lieutenant-Governor of the new province, into impetuous resignation. But Lord Morley declared that he regarded the partition as "a settled fact." Eastern Bengal and Assam flourished visibly; Bengal itself got a new executive council, and by degrees the agitation languished. No doubt there had been dislocation of existing ties, and loss to private interests, but new connexions began to make good this damage. The

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educated baboos of Dacca found that they and their kin did not suffer all the evils they imagined by being severed from Calcutta, with its High Court and University and Press. Nor did the illiterate and impecunious Mohammedan immediately oust him from all power and place. In consequence, there came to be less vitality every year about the partition day meetings of protest in Calcutta. Also the rest of Hindu India began to weary of a local controversy and a failing cause. Between the assertion of Lord Hardinge's government that the resentment remained vivid and unalloyed, and Lord Minto's confident declaration in the House of Lords that "the agitation against partition was stone dead," there is much room for a middle opinion. Probably the truth is that, though some soreness remained, the process of healing was rapidly at work. Even in December last the Bengali leaders would have been glad to have dropped their protests, if they could have done so with credit. Had Bengal simply been given a governor no more might have been heard of the agitation, and in ten years' time the wound would have been wholly healed.

The powers that be thought otherwise. In the twinkling of an eye the most famous act of Lord Curzon's administration has been undone. A new line has been drawn. Behar, Chota Nagpur and Orissa having in common with each other nothing except unlikeness to Bengal, have been cut off and made a separate province under a new Lieutenant-Governor. Bengal proper is re-united, to the great joy of the Bengalis, and Assam finds itself again a Chief Commissionership. In essentials Lord MacDonnell's scheme has triumphed and Lord Curzon's is in the dust.

In the first moment of surprise the disinterested onlooker was inclined to denounce this utter change of plan. He thought it a weak concession to an expiring agitation, of ill omen for the future; an undeserved disappointment for the Mussulmans of Dacca and Mymensingh, who were again uneasily yoked with unbelievers; a wanton undoing of the laborious constructive work of the past seven years,

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very disheartening to the workers; and in some measure a breach of faith, both to the Mohammedans and to the services, bringing discredit on the Government, and impairing the prestige of the ruling race.

Time has modified these first impressions. There is little ground for saying that successful clamour extorted its purpose from a weak Government. The partition was, in fact, not without its defects. It created two heterogeneous provinces. Eastern Bengal was unemancipated in so far as it still depended on Calcutta for its justice and its education. And in both provinces an entirely new grievance had come to light, and might, in the long run, have given actual trouble, in the fact that the intellectually superior population were liable to be outvoted in elections for council by an alliance of the other elements.

None the less, it is apparent that the paramount desire of Lord Hardinge's Government was to make the King's coming the occasion of some striking act of grace which should end all feelings of bitterness. For this purpose there was nothing comparable to the revocation of the partition. And there was at least a good technical defence. The creation of a solid compact province of Bengal under a Governor in Council was another means of attaining the end which Lord Curzon sought. It had the additional advantages that it was popular and in accord with the prevailing tendency to replace the rule of the individual by Council government. The move, in a word, would be dramatic, acceptable, and liberal.

These attractions evidently led both the Viceroy and the Secretary of State to take the attendant difficulties with a light heart. Lord Curzon's criticisms may have revealed the bias of a prosecuting counsel, but there is no doubt that on the sure ground of administrative convenience he disclosed many weaknesses in the scheme. A united Bengal and a Governor in Council may or may not be good creations. But no man can seriously maintain that the rest of the scheme is justified by its intrinsic merits. Assam has been

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treated with cynical indifference as being a small province that cannot protest. The best that can be said for the new province to the west is that each partner in it is so pleased at escaping from Bengal as not to feel the irksomeness of its new associations. This new territory, which it puzzled any one even to name, is indeed about as ill-compacted an administrative unit as could be imagined. It lacks a metropolis, a hill station, a seat of learning, a commercial centre or a common purpose. Orissa has nothing in common in race, language or history, with the central uplands, nor these with Behar. Behar has been congratulated on attaining access to a sea-coast. She does not need such access since her port is Calcutta, nor if she did is there any prospect of her attaining it. There are no through communications from north to south, for rivers and railways run east to west. The province is, in truth, an artificial creation composed of the shavings and parings of Bengal. The Secretary of State in his anxiety to bless it was driven to seek comfort from the desperate hope that the association of mutually strange Uriyas, Chota Nagpuri and Beharis might do each of them good.

A third defect in the plan was that it keenly disappointed the Mohammedans of the eastern districts by placing them again under Bengal. They had been told that the partition was made in their interests. They had been repeatedly assured that it would not be undone. There was a momentary outcry that the Government had broken faith, that nothing was any longer to be won except by clamour, and that the Mohammedans had better give up the attempt to work out their own salvation, and cast their lot in with the Hindus. Nawab Mushtaq Husain, the head of the Aligarh school of thought, a man of limited outlook, but great force of character, took alarm at this suggestion, and sought to counteract it by outdoing the eastern Mohammedans in his reproaches of the Government. He had, indeed, this excuse, that many honest but ignorant Moslems were perturbed by events in Morocco, Tripoli, Egypt and Persia, and had persuaded themselves that the reunion of Bengal was

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also part of a far-sighted scheme to make an end of the Mussulmans as a power. But Moslem opinion as a whole failed to support the Nawab, and when the Aga Khan blessed the administrative changes in a temperate speech, it was seen that there was no chance of a general perturbation. The Mohammedan outcry had about as much reason in it as the Bengali outcry against the original partition; and far less reason than had the English in the Transvaal to complain of a popular constitution which put the Dutch in power. For of all Mohammedans in India those of the eastern districts have been most assimilated by Hinduism into likeness with their neighbours, and now that attention has been concentrated on their needs and aspirations no Government is likely to overlook their interests. The retention of Dacca as a second capital for reunited Bengal and the announcement, distasteful to Calcutta educationists, that it is to be also the seat of a separate University show that the pledges given to the Mohammedans will be made good.

III

THE Government are entitled to congratulate themselves that the more dubious part of their proposals has encountered so little hostility. They were uneasy at the time lest they should be accused of having yielded to clamour. Their despatch pretends, what no one really believes, that the change of capital from Calcutta to Delhi was the vital thing, and the remodelling of provinces at best an important corollary. But every one knows that if there had been no thought of the partition in their minds, Calcutta would have been left to wear her crown.

Calcutta, says the despatch in effect, is intolerable as a capital any longer. Constitutional developments and the political situation in Bengal make it essential that the Government of India should not reside there. Delhi is the best alternative seat. Had the argument rested here, it

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would, whether convincing or not, have been plain to the plain man. But after protesting that the proposal about Delhi is the keystone, the Government of India go on to say that some modification of the partition is also desirable. They do not wish it, however, unless the change of capital is effected. But what is the connexion between the two things, and why refuse one boon solely because you cannot have another? The only answer that suggests itself is that the Government counted on the side-consequences of the move to Delhi, to set off against Mohammedan disappointment on the one hand and Bengali elation on the other. Herein wisdom has been justified of her children. The Mohammedans generally are pleased at the revival of the glories of the Mogul capital; and a Bengali picturesquely expressed the feelings of his race by saying "They have wiped our tears and have knocked out one eye in doing so." Then the despatch goes on to argue that a reunited Bengal will need a Governor in Council like Madras and Bombay, because only a Governor appointed from England can relieve the Government of India of the undue responsibility for Bengal with which English opinion saddles them. But, in that case, to avoid two kings in Brentford the Government of India must go elsewhere. This reasoning makes the move to Delhi a consequence of that which was a consequence of it.

The truth is that if the project really rested, as its authors wish it to appear to rest, on any imperative necessity for abandoning Calcutta, it stands on a perilously insecure basis. But in point of fact the move to Delhi, though deliberately pushed in the forefront of the battle, is a happy afterthought. Lord Hardinge's Government wanted to quiet Bengal, and to interpose a strong government between themselves and Bengal problems; and so occurred the idea of undoing the partition, establishing a Governor, and of withdrawing to Delhi. The last proposal was peculiarly attractive because, apart from the merits of a detached and central capital, and the luxury of building a new city, and the escape from the high rents and the indifferent climate

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and the local embroglios of Calcutta, the rehabilitation of Delhi was precisely the counterpoise required to redress the swing of the balance in favour of any party.

Respecting both the merits and demerits of Delhi as a seat of government not a little nonsense has been uttered. Lord Crewe's rhetoric about the imperial traditions of the Moguls and the ancient Hindu epic of the Mahâbhârata may perhaps be condoned as the exuberance proper to a great ceremonial occasion; but it inevitably provoked Lord Curzon's dismal picture of the seven cities of the Dead watching grimly the futile creation and ephemeral existence of an eighth and final Delhi. For days, too, the outraged *Englishman* made its readers' flesh creep with stories of the swamps and heat, the boils and blains, the snakes and insects that would await the unhappy desecrators of Calcutta. In point of fact, once it was decided to leave Calcutta, there was no site that could seriously compete with Delhi. Drainage and water-supply present no peculiar difficulty in Delhi above all other stations. The railway connexions or the commerce of the city are not incomparably superior to all other competitors. Strategic considerations have been urged both in favour of and against the change; they also are comparatively irrelevant. The solid grounds for the selection were three. Delhi is near to Simla; it is equidistant from the three chief ports of India; and by reason of the three great Durbars it is already associated in the popular imagination with British sovereignty. Add to these the political advantage of conciliating the Mohammedans by returning to the Mogul capital and of eluding Hindu complaint by reminding them that Delhi was once Indraparastha, the seat of sovereignty of their heroic age, and the case for selecting it, supposing that any move was to be made, was overwhelming.

In the House of Lords' debate the real objections to the move were somewhat obscured by trivial or personal matter. It was reserved for the public bodies of Calcutta, from whom no particular detachment of view was to be expected, to state them with least bias, and most self restraint. Calcutta

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has not always been distinguished for catholic-mindedness, but in her closing hour of empire her spokesmen tried frankly to put India's interest above their own. They argued stoutly that there was no necessity justifying the abandonment of costly offices in Calcutta and the construction of a new city in the waste; and that mischief must ensue when the rulers of a commercial country withdraw from the commercial centre and confer like hermits in the jungle far from the practical world.

Upon the first point, as we have seen, the official defence lacks candour. There was in truth no necessity, except that entailed by the unconfessed determination to reunite Bengal. Grant that Calcutta lies in a corner of the empire, far removed from other interests; that in the past its voice may have been heard too much in the counsels of the State; that Bengal politics should be a provincial concern and that the supreme Government should keep clear of them; that the move to Simla is laborious and costly; and that there is a perceptible tendency to an enlargement of provincial authority which makes it desirable for the Government of India to avoid contiguity with any of them. These would be excellent reasons for not moving *to* Calcutta. But only the last reason has any dynamic quality: and seeing that the Governor-General in Council and the Lieutenant-Governor of the Punjab both reside for seven months in Simla in the summer, its force is small. Whether the cost of new Delhi is confined to Lord Hardinge's modest estimate of four millions, or Lord Curzon's ampler estimate of twelve, it is a heavy sum for India to find for a superfluity, but a trifle only, if the outlay conduces, as the Government hope, to the permanent welfare and contentment of the country. But it cannot be denied that in withdrawing to Delhi the Government are incurring insidious dangers. Calcutta has the attributes of a worthy capital: it has a large population, great trade, and a varied, representative and intelligent community. It is the focus not merely of educated native, but of non-official European opinion. No Government can

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live there for months without being in close touch with the thoughts of many of those most competent to influence it. In Delhi these elements are lacking. The Government will be secluded in a new civil cantonment; and save for occasional meetings of the Legislative Council no fresh breezes will blow upon it. Its atmosphere will be calm, but, like that of all cantonments, heavy. Already the danger has been foreseen, and Members of Council have said that they are meditating more prolonged tours in the cold weather, which will keep them informed of public desires and necessities elsewhere. But personal knowledge of the problems of Karachi, Bombay, Madras and Rangoon is not acquired in hurried visits of a few days; and if the Government of India are as good as their word, its members will be almost continuously on the move for months at a time. Then the critic may well ask, if the Government is to go into camp in the cold weather, what need is there of a capital at Delhi at all?

IV

HALF the controversy that the Royal announcement at Delhi has aroused is concerned not with the matter but with the manner of it. This objection was raised by the spokesmen of Calcutta, but, as was to be expected, it has been developed with most force in the Lords' debate. The indictment of the Government was threefold: that Parliament was not afforded an opportunity of debating the changes beforehand; that Indian public opinion was not consulted upon their details; and that the fact that their announcement was made by the King upon a great State occasion, had the unfair effect of rendering them irrevocable, and all criticism vain, if not discourteous. Upon the constitutional question, the level of the debate was a high one, but the honours rested with the Ministry. This was fortunate. Few lovers of India can really desire that administrative changes affecting her should run the ordeal of previous debate in the House of Commons. No one denies the

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ultimate sovereignty of that assembly; but the distance and aloofness of India have hitherto been regarded as excellent reasons for preserving as far as possible undecided Indian questions from Parliamentary debate and party vote. In the end, as Lord Crewe clearly stated, the Secretary of State for India is responsible to the House like any other Cabinet minister; but Indian questions are felt to be normally matter for experts, and Parliament has hitherto exercised control not by previous discussions of an open question, but by a debate upon the *fait accompli*. If the Secretary of State's decisions were not endorsed he could not retain office, and his successor would reverse his decision. But Parliament has never assumed the right to be informed beforehand; and on the rare occasions when it has gone out of its way and recorded resolutions on Indian matters (as happened about the opium revenue and the simultaneous examinations for the civil service), these were not carried into effect by the Government of the day. "Such a condition of things," to quote an unbiased critic, Mr Lowell, "is highly fortunate, for there is probably no body of men less fitted to rule a people than a representative assembly elected in another land by a different race." In truth, neither the partition nor the reunion of Bengal could have been previously debated in Parliament without hastening the day when India will be lost upon the floor of the House of Commons.

Nor is the complaint that undue secrecy was observed in India a substantial one. Three-quarters of the ground, and thanks to Lord Curzon's energies, had been well trodden before. The arguments for and against were familiar; the views of every one affected were known; prolonged consultation could hardly have disclosed a new fact or adduced a new reason, while, as the Secretary of State justly said, it would certainly have aroused a storm of controversy far keener than that which has greeted the accomplished fact. It would have been lamentable if such a controversy had precluded the King's coming and jarred the harmony of his visit.

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Undoubtedly the fact that the King-Emperor himself proclaimed the changes has made them irrevocable. This was recognized by Lord Lansdowne in the first breath of criticism. Undoubtedly, also, the Government desired and intended that this should be the result. They designed that the opponents of the change should feel that there was no prospect of its being reconsidered. This is the gravamen of the charge against them, and on purely democratic principles it is difficult to dispose of it. The course adopted was arbitrary and unfair. But prejudices derived from other conditions need not obscure our perception of what the actual materials of the proposals were. The surgeons had decided upon a certain operation with the object of healing a long-standing sore. Whatever doubts we feel as to their decision, it was obviously best that the knife should be swiftly and effectively handled, so that the wounds it inevitably caused would heal at once. But there was a reason even more insistent. The millions of India were waiting for a sign. Their King had come among them to perform some miracle. If the Durbar had been a mere Field of the Cloth of Gold, if it had passed by without some striking portent to justify the expectations of the populace, the Indian conception of kingship would have been disappointed, and the intention with which the visit was planned would have failed of its purpose. Far better that the King had never come. As it is, India knows that she has a Sovereign whose lightest breath dismembers or unites provinces, and calls new seats of Empire into being; and the reverence and affection with which she was already prepared to welcome the person of the King is enhanced with an awed appreciation and admiration of his power.

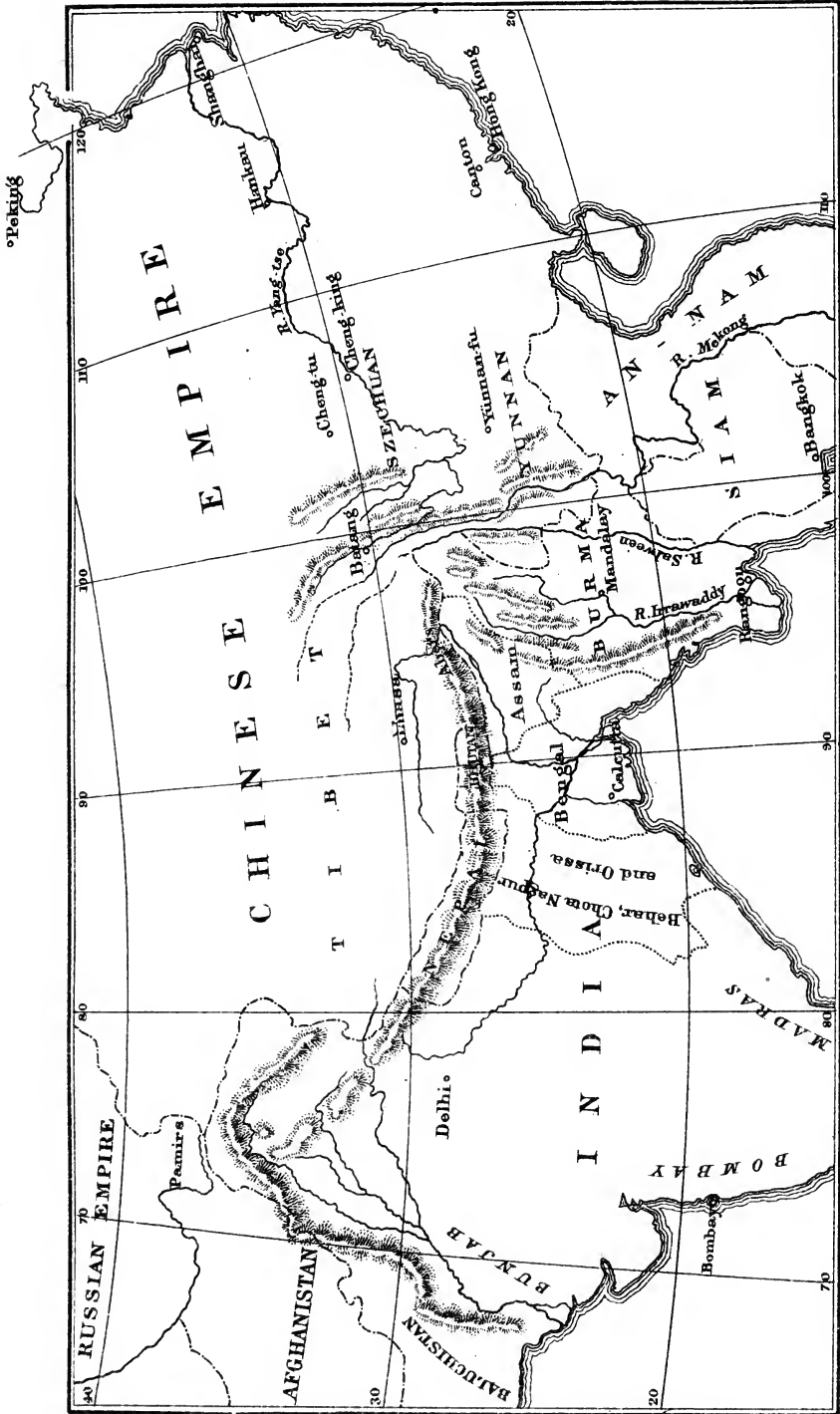
The reproaches of the critics define the achievement of Lord Hardinge's government. They have set up for eighty-two millions of people new means of government which are perhaps intrinsically no better, and certainly less laboriously and patiently considered than those which they have destroyed. They have decided on a change of capital which,

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on theoretical grounds, has much to commend it, but which no imperious necessity dictated, and which cannot but be costly. But in doing these things they have ended a serious grievance. They have adjusted material gains and losses so happily that no one can cry out, and they have appealed with striking success to the emotions which bind India to the Empire. Of the future no man may speak surely. It may be, as Lord Crewe says, that the inauguration of Delhi as the capital evokes a new vision of sovereignty and confirms the stability of the British rule. If that anticipation is true, the achievement rises from the plane of clever politics to high statesmanship. For the present it is safer to call it a brilliant, cynical *tour de force*, such as would have delighted the heart of Disraeli.

V

AS these words are written the curtain is falling upon the other chief drama of the moment. The headquarters of the Abor expedition have reached Kobo on the return journey. Much of the story of the expedition is shrouded in mists as thick as those which have for days surrounded the columns themselves; and the meagre reports which have come through have left many people doubting whether anything effective or profitable has been done. Troops have been pushed forward to positions believed by their savage defenders to be inaccessible. A few Abors have been killed; a memorial has been erected to murdered British officers; and a trifling indemnity such as the barbarians can pay will doubtless be exacted. If this were all, then, however necessary the expedition was, its results could not be called satisfying. But there is good reason to think what has been made known to the world is only a screen for more important operations; and that behind these jungle marches and intermittent assaults on stockades, exploring parties have been at work map-making and acquiring infor-



Sifton, Freed & Co. 1877 "The Map House" 67, St. James's St. S.W.



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mation about the territory beyond that will be invaluable in view of the coming settlement with China.

For it is certain that further to the north, in the vast vague spaces between Tibet proper and China, movements are occurring which are of supreme interest to India. China has been steadily stretching forth her power over the intermediate principalities and states on her western borders in a way that betokens at least an intention to establish herself upon our very frontiers from Nepal to Burma. Lord Curzon's counter plan of creating in Tibet a buffer state, incapable of relations with any foreign power, bound to China by a nominal suzerainty, and in close commercial and political relations with the Indian Empire to the south, is rapidly becoming a dream of the past. How far internal changes, or difficulties of climate or contours will retard the Chinese advance no man can say. But the mere prospect of the Chinese settling their power firmly along our borders means a new factor of great force in Asiatic politics, and discloses momentous possibilities for which our statesmen must be prepared.

When Lord Curzon's Government in 1904 resolved on the advance to Lhasa, the cardinal consideration with them was to prevent Tibet from falling under Russian influence. There were old-standing trade disputes with India which Tibet would not, and China could not, settle; but British patience might have gone on indefinitely enduring Tibetan insolence and Chinese prevarication, had it not been plain that a Russian envoy had now the confidence of the Dalai Lama, and was acting as emissary between him and St Petersburg. The suzerainty of China over Tibet was at that time a mere phrase; Russia had not then encountered Japan in the great war of 1904-5, and was still bent on expansion; and a Russian protectorate over Lhasa seemed within measurable distance. The Lhasa treaty left the nature of Chinese suzerainty unsettled, though the existence of suzerainty was admitted in it and also by referring the treaty to Peking for acceptance.

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In other respects Tibet was to lean on Great Britain, without whose consent she was not to cede territory nor to admit foreign representatives nor to grant concessions. On the other hand Great Britain in no sense pledged herself to secure Tibet from China's interference; and, therefore, so long as suzerainty remained, it was open to the Chinese Government to affect such a re-entry as would make these stipulations of small account by destroying the authority of the Tibetan Government. And this is exactly what has occurred. The Chinese held their hands when we moved to Lhasa, and once we withdrew they began to tighten their hold upon a scared and demoralized Tibet. A little later the relations between Tibet and India were further loosed. The British Government concluded with Russia the famous Convention of 1907, which practically undid all the results of Lord Curzon's mission. Britain and Russia both agreed not to send representatives to Tibet, not to interfere in its internal administration, and, saving the direct relations between Tibet and the British Trade Agent provided for in 1904, not to negotiate further with it except through the Peking Government.

The weakening effect upon Tibet of the Younghusband mission was probably no more than the occasion of China's advance. The Japanese victory of 1905 did much to stimulate active minds in China to ideas not only of internal reform but of territorial expansion. Manchuria was slipping from her grasp; Mongolia was likely to follow. Instinctively the Imperial Government turned to the south and west to rehabilitate its prestige; and, as the forces of disorder gathered head within, so the Peking court, adopting the time-worn expedient of threatened autocracies, became more bent on distracting them with prospects of expansion. The movement was essentially the work of the politicians and generals; it appealed to some of the intellectuals who had Imperial ambitions for their country; but it did not greatly interest the intelligent professional

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and middle classes who were the strength of the revolutionary movement.

In the debatable country, the mountain ranges which traverse Central Asia from west to east are bent round into great folds running north and south. Between these folds flow four of the great rivers of Asia, three of these, the Irrawadi, the Salween and the Mekong making for the Bay of Bengal and the Gulf of Siam, and the fourth, the Yang-tse, curving back through a break in the eastern wall of mountains and flowing into the China Sea. Below the mountains and along the upper basin of the Yang-tse is the province of Szechuan, the last outpost of China proper. To the west of this along the expanse of mountains lie a series of small, thinly peopled states. Some are already under Chinese officials. Others are ruled by hereditary chiefs. As one goes west the population becomes wilder, more nomadic, and more Tibetan; till far to the west the settled valley of Lhasa, the only civilized portion of Tibet, is reached.

Lhasa itself has been occupied by Chinese troops for more than two and a half years. Here and there other isolated garrisons have been planted in eastern Tibet, sometimes after disastrous encounters with the savage tribes of that desolate and forbidding region. But it is in the middle territory of the great rivers, in the country of which Batang is the centre, that the process of absorption has been steadily going on.

The work was entrusted to strong hands. The warden of the Marches, Chao Erh Fêng, was a masterful, ruthless despot who made his name a terror both to the Tibetans and to his own troops. Some of the barbarities related of him are disgusting and incredible; but the real story of beheadings, torture and floggings was bad enough. Chao had only a small army, but his task presented no real difficulty. There was no unison between the states. Some were independent, some leaned already on China, others on Tibet. They all looked to Lhasa as the centre of their faith, but the Lhasa

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Government was in no case to help them, and one by one the little communities went down.

Conquest has been accompanied with a systematic process of assimilation. Lamasarais that were the seats of Tibetan influence have been destroyed. The use of Chinese place names is being insisted on; and people are even required to choose new Chinese names for themselves. Children are forced to go to schools where the use of the Tibetan language or prayers is forbidden. Some attempt was even made to colonize the country with Chinese settlers, but it failed, because such good land as there was was already occupied, nor did the Chinese new-comers relish the prospect of exchanging the rice and pork of their home for the barley and yak meat of Chao's Promised Land.

Roughly speaking, it may be said that a year ago the Dragon flag had been carried up to Batang, the middle city of the river region; and that all the Tibetan-speaking states of western Szechuan had been swept into the empire and were being administered as part of China proper by civil governors. The position of such native chiefs as survived was precarious and nominal. Further to the west matters had not gone so far, but in Lhasa itself Chinese influence was paramount. The Dalai Lama was in exile beyond the Indian frontier, with no prospect of being allowed to enter his country with honour or safety.

The internal disturbances in China have evidently checked her advance westward. Little is known of the sequence of events in so remote a region, but it is certain that Chao Erh Fêng, the embodiment of all the brutality and forces of the old régime, was arrested by the revolutionary government after he had made some insincere professions of sympathy with them, and was publicly executed in Cheng-tu about Christmas last before an enormous crowd; and, to assure people of their deliverance, photographs of his head and body were circulated through the province. For the time being the province of

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Szechuan appears to be in a state of anarchy, and the rival cities of Cheng-tu and Cheng-king are quarrelling for supremacy. Meanwhile the native chiefs in Chinese Tibet have risen more or less successfully, and even in Tibet itself there have been faint-hearted attempts to throw off the yoke. Indeed, at the time of writing there are almost daily reports of fighting close to the Indian border between Tibetan and Chinese officials, and rumours that there has been a massacre of the latter. Meanwhile, the Dalai Llama lingers an ignominious fugitive in the country of a power that has signed away its right to help him.

When order is securely restored in China, whether by the new Republican Cabinet which has been received with so little enthusiasm, or by some new military dictator, we may surely look for a recrudescence of activity in the West. The position in Lhasa is obviously one that cannot endure; and even if the Chinese Government remain inert, it is probable that their isolated commander's conduct will soon force them to some line of action. Whatever happens, there can hardly be any revival of Tibet as a semi-independent power. She lacks a leader. She lacks also the strong consciousness of nationalism which would sustain a long, successful defence. A temporary rising may succeed, but in the long run it seems unlikely that Tibet can ever keep out the Chinese. Their officials, backed by a strong garrison, will be her real governors. On the other hand, it is unthinkable that the Chinese could ever assimilate Tibet proper as they have assimilated the outlying states. The attempt would be defeated, not by the many forces of resistance that the Lamas could call up, but by the climatic and physical conditions of the country.

In three respects the question is a pressing one for India. Our treaty relations with Tibet about trade still hold good. The convention with Russia concedes that we have a special interest in the maintenance of the *status quo* in her external relations. It will be of direct concern to us

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if Chinese officials take over the government of the country, and if the Peking government, with trade interests directly opposed to our own, disregard the obligations entered into by the Tibetans. But having no agent at Lhasa, we lack information and, even more, the power to interfere. Further, although the establishment of military outposts in such strength as actually to threaten India is as yet a remote contingency, the presence of ill-controlled military commanders in the country immediately to the north and east of India must constitute a menace to international peace. The ambitions of Oriental generals have always been a fruitful cause of Asia's wars, and a powerful military governor bent on securing and extending his power might easily be tempted into an infraction of ill-defined and disputable boundaries. Finally, there is the prospect that as Chinese rule is consolidated over the country, the influence of the Peking government may insidiously permeate the whole chain of Himalayan states bordering on Tibet, and that not only Nepal, but Bhutan and Sikkim may be affected. Nepal already sends a ceremonial mission to Peking.

The position affords no ground for alarm, but it requires study and watching. Impelled by the exigencies of European politics, our statesmen, in their anxiety to reach a settlement with Russia, have discarded the one constructive attempt to find a solution of frontier questions on the north-east of India. It may be that the complications which they have escaped are as nothing to the new ones into which they will be led. Trade guarantees, freedom from insolent and irritating obstruction, a stable frontier, and security from any tampering with our own feudatory states are the immediate essentials of any permanent settlement. Strategic railways and cantonments may be needed some day, but they are not needed yet. What does seem certain is that no agreement can be reached as long as local controversies can only be handled through the round-about channels

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of Simla, London, and Peking. Moreover, we need information, and we need an effective representative of sufficient rank and authority to carry weight with the Chinese officials. The solution which these considerations suggest is to resort to another plan of the political architect whose first design has been torn up; and, in imitation of Lord Curzon's North-West Frontier Province, to erect upon the eastern frontier a new political charge of the first magnitude, directly under the Government of India, embracing possibly Sikkim, Bhutan, a portion of Assam, the Abor and Mishmi country, and the disputable region beyond up to a strategic frontier settled with the Chinese.

India. April, 1912.

HOME RULE

FOR more than a generation the problem of the government of Ireland has been the most important question in British politics. At times apparently relegated to the background, at times, as now, filling the front of the stage, it is always there—the warp upon which every statesman must weave the web of his policy—and probably no question of domestic British politics has excited more interest or sympathy in the Dominions oversea. On such a subject it is not easy to say anything new, nor is it easy to write anything which will not be suspected of partisanship towards one side or the other. Nevertheless since it is a matter which affects profoundly the constitutional development of the United Kingdom, and may also influence the wider question of Imperial organization, it is impossible that it should be ignored in the ROUND TABLE. In this article, therefore, an attempt will be made to consider shortly and without prejudice the nature of the problem and the manner in which it is now proposed to meet it.

The problem has its origin in a long and melancholy history, and in the case of Ireland even history cannot be summarized without a suspicion of political bias. Fortunately it need not be here recalled. Suffice it to say that for the greater part of the nineteenth century Ireland presented a picture of misery, hatred and sedition which refused to yield to the treatment and measures under which the rest of the United Kingdom was during the same period for the most part prosperous, contented and powerful. Quite apart from its relations to Great Britain, Ireland was divided against itself by fierce internal feuds, which were aggravated by the addition of an acute agrarian problem. During this period the efforts of British statesmen were mainly directed

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to dealing with the problem by measures of social and economic reform, culminating in the Land Purchase Act of 1903, which embodied a gigantic scheme for converting the whole of the agricultural tenants in Ireland into peasant proprietors by the assistance of Government grants and Government loans. These efforts were, however, impeded and to a great extent nullified by the fact that the majority of the political representatives of the Irish themselves adopted the view that the problem was in its nature not social or economic, but political, and was to be dealt with—not by social legislation or the expenditure of British money—but by altering the constitutional arrangements under which Ireland was incorporated in the United Kingdom. The nature of the new arrangements proposed by the Irish party varied from time to time under successive leaders, but did not assume real political importance until the extension of the franchise in 1884 enabled the Irish Nationalists to return at the General Election of 1885 a body of over 80 members pledged to a policy of "Home Rule." The delegation thus constituted has on three occasions, viz. 1886, 1892, and 1910, held the balance between the other parties in the Parliament of the United Kingdom, and on each occasion this condition of equilibrium has been followed by the introduction of a Home Rule Bill.

It is not suggested that the need for Irish support is the only or indeed the main motive actuating British Home Rulers. Great Britain has suffered heavily too from the unsatisfactory nature of her relations with the sister island, and the policy of Home Rule is advocated, not solely as a measure of justice to Ireland, but as the only means of ridding Great Britain of the Irish incubus. In the last thirty years the contingent of Irish members in the House of Commons can be compared in their influence only to the presence of a foreign body in a living organism. They have irritated and inflamed party passions; professing little regard for the interests of Great Britain or the British Empire, they have obstructed and thwarted British Govern-

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ments at home and abroad, and have determined the rise and fall of British administrations.

Moreover, the British people are themselves not satisfied with the result of their government of Ireland. They recognize the difficulty of creating an efficient government in that country, so long as two-thirds of the people devote their energies not to aiding the administration, but to thwarting it. Agitation is as bad for a nation as for an individual, and the Irish nation, in present circumstances, is not, they feel, making the best of itself politically. They dislike being responsible for Castle government, which, whether wrongly or rightly, seems to them too much like the government of a Crown Colony. If, therefore, any scheme of Home Rule is brought forward which, while maintaining the essential unity of the United Kingdom, will relieve them of the heavy burden of Irish discontent, which will remove the existing friction between the two countries, and at the same time revivify Irish life and government, they are prepared to regard it with lenient eyes. The question is whether Mr Asquith's Home Rule Bill fulfils these conditions.

Before considering the provisions of the present measure, however, it will be well to inquire what exactly is meant by Home Rule.

There are certain things which the expression "self-government" as used in Irish politics does not mean. It does not mean complete independence—though one of the arguments of its opponents is that it is sought by some of its supporters merely as a step in that direction. Nor does it mean the establishment in Ireland of a separate and sovereign Parliament, reducing the constitutional connexion between Great Britain and Ireland to a union of crowns, *i.e.*, a connexion such as now exists between Austria and Hungary, or such as existed before 1707 between England and Scotland, or before 1905 between Sweden and Norway. Such—in theory at least—was the relation of Ireland to Great Britain between 1782 and 1801, and the

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restoration of that relation was the avowed aim of the earlier Repealers. This aim never found the least sympathy among British politicians and was more or less formally abandoned by the Irish themselves.

Nor has the Irish demand for self-government hitherto been satisfied by the institutions commonly known as local self-government. It is difficult to say in what respect a county council differs from a subordinate parliament. It possesses powers of taxation and legislation different rather in degree than in kind : and it administers its business under something like a rudimentary system of responsible government. But we all know that there is a difference between the powers of self-government possessed by (say) London and Newfoundland. That difference cannot be better expressed than in the words of Professor Dicey: "Local self-government, however extended, means the delegation, Home Rule, however curtailed, means the surrender of parliamentary authority," within the sphere allotted to the new assembly. As a matter of fact, the Irish counties have already (since 1898) been granted the same powers of local self-government as the counties of England, Scotland or Wales, without in the slightest degree affecting the demand for Home Rule; and when the present Government proposed, in the Irish Councils Bill of 1907, to establish a scheme of local government comprising the whole of Ireland as a single unit, the proposal was decisively rejected by the Irish National Convention.

Further, self-government for Ireland has not the same meaning in the mouths of politicians as self-government for the rest of the United Kingdom. If it had, there would be no Home Rule question, for at the present moment every Irishman has the same say through his elected representative in the Parliament of the United Kingdom in all questions of Imperial and national concern, and the same control over matters of purely local concern through the elected county and district councils, as has any Englishman, Scotchman, or Welshman; and, be it noted, the voice which

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he thus possesses in the direction of Imperial policy is one which is not possessed by any citizen of the Dominions over-seas. This, however, is not what the Irish representatives desire. Ireland, they say, cannot be treated like so many counties of England or Scotland. It stands at a different stage of development, and its needs differ in kind from those of the rest of the Kingdom. What is good for Yorkshire is not for that reason good for Connaught—probably the reverse. It is no argument to say that Ireland gets equality of treatment under Union, for it is this very equality which is strangling her. The Committee on Irish Finance appointed by the present Government, in their report dated October, 1911, lay stress on this point:—

“ We hold that the experience of the last few years amply confirms the theory that a financial partnership with Great Britain does lead in Ireland to a scale of expenditure that is beyond the requirements and beyond the natural resources of the country itself . . . That single measure, *i.e.* Old Age Pensions, has imposed on Ireland a charge that at one stroke has swept away the margin of Irish revenue over Irish expenditure, and left her with a deficit. But further legislation of the same tendency may be foreseen, schemes that are sure to be framed with reference to the needs of Great Britain with its vast preponderance of industrial population, and which, if applied to Ireland without adaptation, must inevitably lead to grievous waste of public money, if not also to serious demoralization of Irish life. For these reasons we are emphatically of the opinion . . . that, quite apart from any question of a change in the political relations between Great Britain and Ireland, some radical change in the financial relations is imperatively required in the interest of both countries alike, of Great Britain no less than of Ireland.”

Home Rulers therefore claim that all matters affecting Ireland alone must be decided by Irish votes only, and to obtain this their leaders profess themselves willing to re-

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nounce, at any rate partially, their voice not only in the domestic affairs of Great Britain, but in those of the Empire as well. To understand their willingness to do this it is necessary to realize that the basis of the Irish demand for Home Rule is the claim that Ireland is a nation, that is, that the people of Ireland differ fundamentally in character, traditions and aspirations from those of the rest of the United Kingdom, and that these differences should be recognized by endowing Ireland with separate institutions and a separate corporate existence. How far this claim is justified by facts, and indeed what constitutes a nation, are questions which admit of more than one answer, but the fact remains that the claim is made and believed in by the largest party in Ireland. Their aspirations in fact are the same in kind as those which inspired the movements for independence in Poland, Italy, Hungary and Norway—to mention only a few instances. It is this nationalist aspect of the movement which at once gives it its strength and is a principal obstacle to its success, for it is met by an equally strong unitary sentiment on the side, not only of Great Britain, but of an important section of Ireland itself. This sentiment, which—to quote another historical parallel—is the same in kind as animated the Northern States in their struggle to maintain the American Union, has equally strong foundations in history and in the belief in an over-riding national unity. The present article, being written from a constitutional point of view, will not attempt to estimate the comparative strength and justification of these two sentiments. It must always be remembered, however, that one of the main obstacles to a practical application of Home Rule principles to Ireland is the expressed determination of Ulster to resist any form of Home Rule, if need be at the cost of civil war. Here it must suffice to point out the incompatibility of these two sentiments, and to observe that, since the Irish movement has no hope of success unless it can obtain the support of one of the great British parties, the proposals put forward

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in practice must be in the nature of a compromise under which Ireland cannot really become a nation, and the United Kingdom cannot really remain united.

Is such a compromise possible? It is sometimes said that within the British Empire there has been evolved a system which, while maintaining Imperial unity, concedes full recognition to the growing national sense of the Dominions over-sea, and it is worth considering whether the system of Colonial autonomy, which has worked so well elsewhere, cannot be applied to Ireland, and, if not, why not.

There is no doubt that such a measure of autonomy would satisfy existing Irish aspirations and would give scope for her development on national lines. At the same time it would offer Great Britain a prospect of being able to wash her hands of responsibility for the internal affairs of Ireland. It would enable the Parliament of the United Kingdom to devote itself to its own business, freed from the disturbing influence of the Irish members at Westminster. This system, in theory, secures the unity of the Empire by two means. In the first place, the Imperial Parliament retains the legal right to alter or revoke the constitutions of any of the Dominions, or to pass such legislation as it thinks fit regarding their affairs. In the second place, the executive power together with the right of veto is vested in a Governor appointed by the Imperial Government, which is thus, in theory, enabled, through its instructions to this officer, to exercise a general supervision over the administration and legislation of the Dominion. In truth the continued existence of the Empire rests on very different foundations from these flimsy legal safeguards. The true bonds of Imperial union at the present time are first, the national patriotism and solidarity which grows from the sense of a common origin and a common allegiance, and secondly, the feeling of strength and security arising on the one hand from the protection which the naval and military power of the United Kingdom provides for the Dominions, and on the other the support and encouragement which the

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Dominions afford to the Mother Country. Yet successful though colonial autonomy has proved, it is a transitional stage. It has not solved and cannot solve the problem of the relations between the different sections of the Empire. As the Dominions grow in strength, it must inevitably lead either to closer union or to something which will not be distinguishable from independence. The present system is only sustained even now through the almost complete waiving by the Imperial Government of its right to interfere in any of the internal, and many of the external, affairs of the Dominions, and by the willingness of the Dominions to allow their foreign affairs to be managed entirely by a Government in which they have no voice. Thus the British people have no cause to regard colonial autonomy as more than a temporary arrangement, even of the relations between the Dominions and the United Kingdom. As applied to Ireland, all the difficulties that arise in the case of the Dominions are intensified. Colonial autonomy for Ireland would mean that Ireland was free to establish a separate army, a separate navy, and a separate customs tariff, and that Great Britain would take no more effective steps to retain her within the Empire than she would do to retain Australia, for instance, if Australia desired to secede. Such a possibility is one which no British party has been willing even to contemplate, and if any Canadian, Australian, or South African wonders at this refusal, let him consider what his feelings would be if Quebec proposed to be as free from control by the Dominion Parliament as is Newfoundland, or if similar claims were put forward by Natal or Western Australia, or the South Island in New Zealand. Such a proposal would be regarded as the dismemberment of the Dominion to which the seceding province or state belonged. British sentiment takes the same view in regard to Ireland. The grounds on which this refusal is based are threefold—strategic, economic, and political—and it is worth while to examine them a little more closely before going on

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to consider the proposals which are now before the country.

In the first place it is obvious to everybody who looks at the map, that in the event of war the frontiers of Ireland, unlike those of any Dominion, form an integral portion of the defences of the United Kingdom. In war the Government of the United Kingdom must, for the safety of the Kingdom, have complete and absolute command over every man and every ship, every base and every source of supplies that is or can be available for defence. It is not a question of Irish loyalty or disloyalty, but of Imperial strategy, and of adherence to the first principles of warfare. In a moment of supreme emergency there is no room for divided counsels, and the absolute control must without question be concentrated in a single hand. The power which the Dominions possess, and have used, to raise their own naval and military forces is not without its dangers even in their case. We cannot but remember the pronouncement of Sir W. Laurier that the Canadian navy is not bound to take part in every war in which the Empire is involved. The possibility of such a policy being put in practice must be for the time being endured in the case of the Dominions; it would be intolerable in the case of Ireland. Disastrous though the loss of a Dominion would be to the continued existence of the Empire, it would not open the heart of the United Kingdom to a fatal blow in time of war. That of Ireland would. The strategical position forbids the contemplation of any division of control over the Irish forces. Even if granted in time of peace, it must inevitably be resumed in time of war. The Irish themselves fully recognize this, and nothing of the kind has ever been suggested in any of the three Home Rule Bills.

The economic objection to the grant of colonial autonomy is that Irish finances have been so much affected by the connexion with Great Britain that it would not be fair or indeed possible to require Ireland forthwith to pay her way without assistance. The report of the Committee already

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quoted shows that, on the balance of purely Irish revenue and purely Irish expenditure, there is a deficit of over £1,000,000 a year, which is likely to increase—a Government White Paper puts it at £1,500,000 for 1912-3—and it is in fact proposed in the present bill that the Imperial Government should assume liability for an expenditure of some £2,000,000 a year for Irish purposes. Great Britain has, moreover, pledged her credit to an enormous extent on schemes for improving the condition of the Irish people. For Land Purchase alone she has engaged to find sums estimated to amount to nearly £200,000,000, the ultimate repayment of which depends on the way in which the Land Purchase Acts are administered. It would be unjust to ask the British taxpayer to abandon all control over the finances of a country on behalf of which he was assuming such heavy liabilities. It would be equally unreasonable to expect that Ireland could raise the further sums required to finance Land Purchase on her own credit. These considerations—strengthened by the feeling that any serious change in the present policy of internal free-trade within the United Kingdom would be injurious to all parts of the Kingdom—forbid the contemplation of any proposal for granting to Ireland that complete fiscal independence which is the keynote of Colonial autonomy.

The reasons which we have called political, while difficult to define, are reflected in a deep, though vague, sentiment of unity. The British people, as a whole, feel that the distinctions of race, on which Irishmen are inclined to dwell, are in reality less important than the underlying identity. Even if sufficient to justify separate political institutions they are not held to justify so complete a separation as is involved in colonial autonomy. The destinies of the two islands, so it is argued, are inextricably interwoven. Lastly, whatever the Irish leaders may say now, it may well be that the Irish themselves will in the future resent the position which, in comparison with the English and Scotch, colonial autonomy would give them among the people of

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the United Kingdom. It is to be remembered that Ireland would then have no say or part in Imperial affairs. "I am an Irishman," says Lord MacDonnell, himself a Home Ruler, "anxious to promote the prosperity and independence of Ireland within the Empire; but I say without hesitation, that if we Irishmen are not to participate in the Imperial Parliament, if we are to have no claims in any circumstances on Great Britain in the future, if the sole badge of our connexion with the United Kingdom is to be the obligation of obedience to orders reversing our legislative or administrative action, then I fear we are preparing for Ireland, in the not distant future, a path of doubt and isolation as thorny as any she has yet trodden."

These, then, are the reasons which have hitherto prevented any British Government from advocating a full measure of colonial autonomy for Ireland, as a possible compromise between Irish national aspirations and British unitary sentiment. We must now consider the compromise proposed by Mr Asquith.

The Government of Ireland Bill establishes an Irish Parliament of two Houses, a House of Commons consisting of 164 elected members, and a Senate of 40 members nominated by the Lord Lieutenant, in the first instance on the instructions of the Imperial Government and thereafter on the advice of his Irish Ministers. The Senate has no power of amending or rejecting Finance Bills. The supremacy of the Imperial Parliament and its future right to legislate for Ireland, are expressly reserved and the Lord Lieutenant has the power of veto over Irish legislation.

The Irish Parliament is given full power to legislate with regard to all Irish affairs, with the exception of a certain number of specified subjects, the chief of which are the Crown, defence, treaties, religion, naturalization, trade with any place out of Ireland (except as affected by taxation), merchant shipping, coinage, trade marks, copyright, and stamp duties, and with the exception also of the reserved matters referred to below. It cannot impose customs

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duties on any article not already subject to an Imperial duty. That duty it may remit, but cannot increase by more than 10 per cent, except in the case of beer and spirits, and in any case an equivalent excise must be imposed. Furthermore it cannot increase income tax or death duties, so as to raise the yield by more than 10 per cent. The validity of any Irish law may not only be tested in the ordinary courts, with an appeal to the Privy Council, but may be referred to the Privy Council by the Lord Lieutenant or the British Government before the law in question comes into force.

The executive government is of the ordinary cabinet type known to the British Empire, but its power extends only over matters upon which the Irish Parliament has the right to legislate. Certain matters, e.g. the collection of taxes, the management of Land Purchase, Old Age Pensions, National Insurance, Labour Exchanges, Savings Banks, and the Royal Irish Constabulary are reserved to the Imperial Government. To a large extent, therefore, there will be a dual executive throughout Ireland. The Constabulary will be transferred to the Irish Government after six years, and the other reserved services (except Land Purchase and the collection of taxes) may, on resolution of the Irish Parliament, be transferred after one year, or, in the case of the Savings Bank, ten years. As regards finance, all Irish taxes are to be collected by Imperial officers, and a sum called the "transferred sum," calculated to be equal to the net cost at the date of the Act of all services transferred to the Irish Government, plus a grant beginning at £500,000 and eventually falling to £200,000, is to be paid over to the Irish Exchequer. The taxes collected are to be those imposed by the Imperial Parliament subject to any alterations which the Irish Parliament may make, as to which, with the exception of customs, income tax, death duties, and, stamp duties, they have a free hand. If the Irish Parliament increases or diminishes any Imperial tax (i.e. any tax imposed by the Imperial

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Parliament, whether before or after the passing of the bill), the transferred sum is to be increased or diminished according to the estimated effect on the yield of the tax, and if it takes over a reserved service the transferred sum is increased by the estimated saving to the British Exchequer.

The figures of Irish finance are, in reality, left blank. They will in fact be decided by a Joint Exchequer Board, which fixes, in the first instance, the amount of the transferred sum, and subsequently the amounts to be added to or deducted from that sum in consequence of alterations in taxation made by the Irish Parliament. Two members of this Board are nominated by each Treasury, and the Chairman by the King on the advice of the British Prime Minister, so that Great Britain has a permanent majority.

As to the future, if the Joint Exchequer Board reports that the true Irish revenue, as calculated by them, exceeds for three successive years the amount of the transferred sum, plus the cost of the reserved services, the financial provisions of the Act may be revised by the Imperial Parliament, with a view to securing an Irish contribution for Imperial purposes. In such an event the number of Irish representatives present is to be increased to the number to which Ireland would be entitled according to population.

But with that one exception Ireland is to be represented in the Parliament of the United Kingdom by 42 members only. Its present representation is 103, and its representation according to population would be something over 60.

As was stated at the outset the bill must be judged according as it meets the various conditions of the problem. Does it satisfy Ireland? Does it maintain the Imperial supremacy? Does it relieve Great Britain of the incubus of a discontented phalanx of Irish members at Westminster? Does it remove the danger of friction between the two Parliaments?

This constitution evidently resembles the colonial type in many features; in others it is very different. We have the Governor with his veto, the Parliament with its "power to make laws for the peace, order, and good

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government" of Ireland, the cabinet responsible to Parliament, just as they may be found in any colonial constitution. It is true that the legal supremacy of the Imperial Parliament, implicit in other cases, is explicit here: but this is merely a verbal difference. The main features which differentiate the proposed Irish constitution from that of any Dominion are, firstly, that Ireland is deprived of all effective control over tariffs, defence, or the collection of revenue; secondly, that Great Britain retains temporarily the control of the Irish police and other services, and permanently the management of the great scheme of social reform which is involved in Land Purchase; thirdly, the representation of Ireland in the Parliament of the United Kingdom. It is not likely that this last privilege would suffice to make these restrictions acceptable to the people of a Dominion. Are they likely to prove acceptable to Ireland?

The Irish Nationalist Members of Parliament and the Irish National Convention have indeed accepted them. But they cannot pledge the future Parliament of Ireland. Signs, indeed, are not wanting that the demand for further powers will soon arise. Witness the report on the financial provisions of the Bill adopted by the General Council of Irish County Councils at Dublin on April 20. This report formulates a "concrete minimum demand" for:

1. Retention by Ireland of the taxes collected within her borders.

2. Collection of Irish revenue by an Irish staff, appointed and controlled by the Irish Executive.

3. Lodgement of all Irish revenue direct in the Irish Exchequer, subject to a lien upon Customs revenue in favour of the Imperial Treasury for payment of an Imperial contribution of 9 per cent, and any further sums due to the Imperial Exchequer.

4. Transfer of all Irish services, including the Post Office, to the control of the Irish Parliament.

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5. Responsibility of the Irish Treasury for financial provision for all Irish services.

This, of course, is not an official utterance of the Nationalist Party, but the principle underlying it draws support from the Government Committee already quoted. They report:

“ We have come to the conclusion that there is only one way in which all the requirements of the situation can satisfactorily be met, and that is by conferring on the Irish Government full powers over the raising of revenue as well over expenditure in Ireland, subject only (a) to such reservations as may be necessary to guard against the raising of tariff questions that might prejudice relations with foreign Powers, or trade and commerce between the two kingdoms, and also (b) to such provisional arrangements at first starting as may be required to balance the Irish budget. We are well aware that this conclusion may seem surprising to many, and may be distasteful to not a few. But we believe that a dispassionate study of the problem will, in spite of any predispositions to the contrary, lead others, as it has led us, to the conviction that no other arrangement offers promise of an harmonious or a convenient settlement, and that the advantages of the proposal far outweigh the objections to it. To us the advantages appear to be real, practical, and of a weight overwhelmingly preponderant; the objections to be mainly sentimental.”

It is difficult for anyone who has studied the growth of self-government elsewhere to doubt that before long a demand for more complete autonomy will be put forward. Is that demand to be conceded? Or are the guarantees which protect the supremacy of the Imperial Parliament of sufficient strength to resist any demand which the British people regard as endangering the unity of the Kingdom? These guarantees are, first, the legal supremacy of the Imperial Parliament; secondly, the power reserved to the Imperial Government of vetoing Irish bills; thirdly, as a

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protection against any unconstitutional action on the part of the Irish Parliament, the power of the Judicial Committee of the Privy Council to declare an unconstitutional Irish law invalid.

All of these checks are to be found—not perhaps in the same words—in the constitutions of Dominions. They are useful and effective in preventing occasional injudicious or unconstitutional action in cases where no strong public opinion is involved. But where there is a serious and deliberate conflict of policies, backed by a deep and strong national feeling on either side, they are but straws before the wind. The only alternatives before the British Government in a serious deadlock would be either a more or less graceful surrender to Irish demands, or the exercise of their superior physical power, which is the ultimate foundation upon which all government rests.

A democratic Government will go to great lengths before employing force. Moreover, in the struggle of parties in the Imperial Parliament the forty-two Irish members might, and often undoubtedly will, play an important part. They will form an additional reason persuading the British Government to incline their ears to the Irish demands.

The attempt, therefore, to ensure the supremacy of the Imperial Parliament and Executive, by reserving large legislative and executive powers over Ireland, seems likely to rob the measure of its healing power. The Irish nation and Parliament can hardly be contented, since they have two causes of complaint, in the restrictions which hedge their autonomy, and in their inadequate representation at Westminster; the Imperial Parliament will not be relieved of the necessity of considering Irish affairs, not only because of the possibilities of conflict over financial and other matters, but also because of the large direct powers it retains. The dual administration of Irish affairs will present many a delicate problem.

Moreover, the constitution, framed as it is on Gladstonian lines, cannot escape from the dilemma which

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did so much to destroy the Gladstonian Bills. Since the constitution retains for the Imperial Parliament large functions of government over Ireland, justice to Ireland demands her representation in that Parliament. Yet, as the Imperial Parliament deals also with local English, Scottish, and Welsh affairs, justice to England, Scotland, and Wales demands the non-representation of Ireland. Out of this dilemma there is no escape, except by the way of colonial autonomy, or some sort of federation all round. The present Government have attempted to meet the problem by reducing the Irish representation to forty-two. But it is doubtful, whether to add injustice to Ireland will succeed in removing the injustice to Great Britain.

An impartial consideration of the Bill leads, therefore, to the belief that it does not form a permanent foundation on which to build a stable relationship between Great Britain and Ireland. It is more of the nature of an "interim" constitution, preparing the way for a further development. Under circumstances of stress and strain it might lead back to the present unitary constitution; it is more likely to develop into colonial autonomy.

It is to be observed, indeed, that the authors of the Bill themselves recommend it only as a first step towards further rearrangement of the political institutions of the United Kingdom. But they look forward to its development, not into colonial autonomy for Ireland, but into a devolution of government throughout the United Kingdom, somewhat on federal lines.

"I myself," said Mr Asquith, in moving the first reading of the Bill, "while recognizing to the full the priority and paramount urgency of the Irish claim, have always presented the case for Irish Home Rule as the first step, and only the first step, in a larger and more comprehensive policy," and he went on to emphasize "the imperative need, in the interests of the United Kingdom and the Empire as a whole, of the emancipation from local cares and local burdens of the Imperial Parliament."

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This policy, which is known as "Home Rule all round," rests on a different set of arguments from those which we have been considering. It is not concerned with the national demands of Ireland, though it claims to have the additional merit of satisfying them, but with the urgent necessity of lightening the burden upon the Imperial Parliament.

The importance of this subject was dwelt upon at length in the ROUND TABLE* some months ago. The great extension of the field of legislation in modern days and the manifold problems of the British Empire have loaded the Order paper of the British House of Commons with a mass of business to which it is unable to devote proper time or consideration. The consequence is that many matters cannot be dealt with at all, and others are dealt with in a perfunctory manner. If all legislation of a purely local character were handed over to local assemblies, it could be handled with greater dispatch and greater knowledge, and the time of the central Parliament would be set free to deal with matters which concern the United Kingdom as a whole, and with Imperial affairs. It is argued, with some force, that while Canada with eight millions of population has ten Parliamentary legislatures, it is absurd that the United Kingdom with forty-one millions, and the burden of the greatest Empire in the world, should be content with one, and that, if legislative authority in the United Kingdom were divided among central and local legislatures, as in Canada, Australia, and South Africa, great benefits would result. In this process the grant of self-government to Ireland is represented as a first step, and we are promised that what is given to Ireland to-day will be given to Scotland, Wales and England, or perhaps different sections of England, to-morrow.

The object which Mr Asquith has in view commends itself to a large body of opinion. Not only has it the sympathy of all those who regard the congestion of business in the

* "The Congestion of Business in the House of Commons," ROUND TABLE, No. 5, Dec. 1911.

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House of Commons as a serious handicap to the efficiency of that body, but it offers a means of escape from the very real difficulties of the Home Rule Bill. A proper system of Home Rule all round would, for instance, at once get rid of the unfairness of the arrangement under which, on the one hand, certain Irish affairs are entrusted to an Irish Parliament, while others are reserved to a Parliament in which she is only inadequately represented, and on the other hand England and Scotland abandon their voice in Irish affairs while Ireland retains a voice in theirs. But it has serious difficulties, some inherent in any scheme of devolution, or so-called federation, for the United Kingdom, others arising from an attempt to apply such a scheme piecemeal. Into the intrinsic merits or demerits of Home Rule all round—how, for instance, three or more Governments would have dealt with the recent coal strike—we do not intend to enter. Our object is simply to consider how far a project of that nature is advanced by the present Home Rule Bill.

In all federal or quasi-federal combinations the powers of the local parliaments are equal or nearly equal in every state. It is clear that, if justice is to be done, and incessant agitation avoided, this must be so. Either, therefore, the constitutions to be given in the future to the other partners in the federation must conform to the Irish pattern, or the Irish constitution must be made to conform to theirs. If the former course is taken, we have before us the prospect of the various parts of the United Kingdom establishing separate customs tariffs, separate post offices, separate rates of income tax and death duty, and, indeed, dealing with the whole field of government action, except the reserved matters, on different lines. On this supposition, since the proposed Irish powers are wider than those possessed by any state or provincial legislature in any Dominion, the United Kingdom, from a unitary state, is to be converted into a federal union looser than any in the British Empire.

It is true that the new system will not be federalist in the legal sense, because the Sovereign supremacy of the Imperial

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Parliament will be retained. Legally, therefore, the new constitution will fall under the same category as that of South Africa, rather than that of Canada or Australia. But the position of the new local parliaments will be very different from that of the provincial assemblies of South Africa, which appear to be kept in fairly effective subjection. Parliaments with the powers given by the Home Rule Bill cannot be treated in the same cavalier fashion. In practice friction will only be avoided if they are left as free from interference within their own sphere as the local assemblies under a truly federal union.

Experience has shown that federalism is not so strong a form of government as union. Great distances and great differences in conditions often make it the only possible form, but it would be strange if the United Kingdom with its compact territory exposed as it is by its geographical position to the assaults of immensely powerful competitors, were to consent to such a dispersal of authority. It is indeed improbable that the authors of the Home Rule Bill have ever contemplated such a result.

The demands of Scotland or Wales can undoubtedly be satisfied by a much less generous devolution of power than is proposed in Ireland, and one can hardly doubt that when the system comes to be applied all round, it will require extensive modification. What, then, will be the position of Ireland? Either she must be left in undisturbed possession of the powers now about to be given her, or they must undergo substantial reduction. If she is left as she is, the unfairness to the partner states continues. She will have more say in their affairs than they have in hers. If, as seems more probable, Home Rule all round means less Home Rule for Ireland, she must face a surrender of some of the powers she has been granted. It is hardly to be supposed that the Irish Parliament will relinquish cheerfully any of that authority which it will have acquired after so prolonged a struggle.

There is another connexion in which Home Rule is

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sometimes supported, not only for itself, but as a means to a greater end. In the Dominions, as well as in Great Britain, such a measure is often considered to be an essential preliminary not only to the federation of the United Kingdom, but to Imperial federation also. Out of many expressions of opinion we take the following quotations from two influential newspapers.

The *Sydney Daily Telegraph* says:

“The Bill will eventually permit representatives of all the British Dependencies to sit in the Imperial Parliament. Whoever objects to the Bill objects to the realization of a United British Empire.”

The *Toronto Globe* says:

“If ever the British Empire is to possess a truly Imperial Parliament, charged with the control and direction of Imperial affairs, England, Scotland and Ireland must be given local parliaments to handle matters of interest only to the people within their own borders. Devolution must precede any sane project of Imperial federation, and this Bill is the first step toward the evolution of the Parliament of Greater Britain.”

Clearly the view of these papers is that, if once the British Parliament devolves purely local affairs upon local legislatures not only in Ireland, but in England, Scotland, and perhaps Wales too, it will itself be capable of being transformed into a true Imperial Parliament by the presence of Dominion representatives within it. But this argument conceals a fallacy. If a true Imperial Parliament is ever created, it will be created to deal with such matters as are common to the whole Empire, and with them alone, or, broadly speaking, defence and foreign affairs. Outside these matters, few in number, but of supreme importance, each part of the United Empire must have complete freedom over its own affairs, and be subject to no interference from any other part. If, therefore, the present British Parliament

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is to be transformed, according to the ideas of the *Sydney Daily Telegraph* and the *Toronto Globe*, into a true Imperial Parliament, it must confine its attention solely to matters of common Imperial interest, and interfere no more with the local affairs of England, Scotland, and Ireland, than it does with those of Canada, Australia, and South Africa. Otherwise these Dominions, like Ireland under the Home Rule Bill, will not only administer their own local affairs, but help to administer those of the United Kingdom also. Canadians and Australians will find themselves not only voting money for the Imperial navy, but deciding for or against Tariff Reform for the United Kingdom. It follows that, if this difficulty is to be avoided, England, Scotland, Ireland and Wales would have to be as separate from one another as Australia is from New Zealand. Each would have its own tariff, its own post office, its own exchequer, its own system of taxation. In fact, apart from foreign affairs and defence, each country would be wholly independent of the others. The United Kingdom would be transformed into a congeries of practically independent states, similar to those formerly existing in Canada, Australia and South Africa. It would deliberately choose a path which in those countries was found intolerable and from which the central Parliament was the only way of escape. Such a hypothesis has only to be stated to be seen to be absurd. If Home Rule is the first step towards the creation of local parliaments in England and Scotland, then a Federal Parliament for the whole United Kingdom dealing, not only with defence and foreign affairs (so long as there is no true Imperial Parliament), but also with all those matters of national interest which are entrusted elsewhere to federal parliaments, will be just as essential as it is in the Dominions. Indeed that central Parliament is likely to have still greater powers and to follow the South African rather than the Australian model. If these small islands are to be federated at all, the federation must be of a closer texture than that of the Home Rule Bill.

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Clearly then this British Federal Parliament controlling the national affairs of the United Kingdom, e.g. its tariff, will be no more fit to be a true Imperial Parliament, representative of the whole Empire, than is the Canadian or the Australian Parliament. The business of these Federal Parliaments will be each to administer its own federation. The business of an Imperial Parliament will be defence and external relations alone. To entangle it in the local affairs of any self-governing unit of the Empire would be to ensure its failure.

The fact is that, regarded as a piece of constitutional machinery, the Home Rule Bill has little bearing on the question of Imperial Federation. We are far from belittling the importance of reconciling Irishmen to the Empire, or the damage to the efficiency and, therefore, the influence of the United Kingdom that is caused by the incubus of a discontented Ireland. But we are speaking now of the constitutional aspect of the question, and what is important there is that the United Kingdom should enter an Imperial Federation as a single unit of government and not as two or more. Over the parliaments which control the local affairs of each self-governing section of the Empire, whether those parliaments be of the federal type as in Canada and Australia, or of a unitary type as in South Africa, New Zealand, and at present in the United Kingdom, must be erected an Imperial Parliament distinct from all of them, and responsible only for truly Imperial affairs. If the Home Rule Bill leads to a proper division of national and local affairs between a national Parliament and local legislatures throughout the Kingdom, or if the Irish Parliament is content to take no part in Imperial matters, leaving them wholly to the present British Parliament, then matters will be no better and no worse than now. The United Kingdom will still speak as a whole through one central Parliament. But, if Ireland gains the status of colonial autonomy or the Irish Parliament as representing the Irish nation claims a voice in the settlement of Imperial

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organization equally, for instance, with New Zealand and Newfoundland, then there would be this change in the problem of Imperial federation, namely, that it would be necessary to federate seven nations instead of six. The amalgamation of the various provinces and states of Canada, Australia and South Africa into three great federations was an essential preliminary to any step forward towards Imperial Union. The dismemberment of the United Kingdom would be a step back.

In the foregoing pages an attempt has been made to analyse with fairness the Home Rule Bill, regarded as a piece of constitutional machinery. It has not been possible to avoid criticism, since constitutionally the Bill has obvious defects. The difficulty is not to criticize but to construct. The Irish problem has baffled generations of British statesmen, and so many and so conflicting are still the factors to be reconciled, that no satisfactory solution is yet in sight. Any statesman who sets out to frame a Home Rule Bill cannot succeed unless he can reconcile the aspirations of Ulster with those of the rest of Ireland, and can combine a large measure of autonomy in local affairs with the preservation of the essential unity of the Kingdom. While being just to Ireland, he must not be unjust to Great Britain.

It may be said that to demand all this from any Home Rule Bill is to demand what is impossible. If that be really so, then it would be better to abandon the project, and try some other road of advance. Time has already wrought many changes in the Irish problem, and it is not impossible that the "heartache" of Ireland may be healed by a milder remedy than the establishment of a semi-independent Parliament. The true line of advance may be through some large development of local government throughout the United Kingdom.

What is certain is that like all supreme national questions, Home Rule, carrying with it, as it does, a complete alteration in the constitution of the whole of the United Kingdom can never be settled satisfactorily by the ordinary methods

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of party warfare. It may be said without fear of contradiction that had the federal constitutions of Canada, Australia, and South Africa been framed by one party in the state and attacked by the other, they would never have come into being. They were accepted and have been successful because, being the work of all parties, they were the symbol of a truly national settlement. In the creation of the South African constitution Britons and Boers met, not as contending parties, but as statesmen whose one purpose was to hammer out a scheme which might be acceptable to all. The many difficulties which arose were only overcome by generous compromises on either side. But had either party framed its own constitution and attempted to impose it on the other, all hope of settlement would have gone. It is only a truly national agreement, accepted by all parties, which will afford a permanent settlement of this great problem.

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MEN speak of the settlement of the Irish question, meaning by that the solution, not of an Irish, but of an English difficulty. We Irish would indeed be a fortunate race if our problems could be settled so easily as by the creation of a legislature to deal with Irish affairs. Do Englishmen who have enjoyed an independent Parliament for some centuries regard its existence as settling the English problem? They have just passed through a period of national strikes, and anticipate a long series of such troubles and the butchering of their industries to make many undesirable British holidays. The Englishman, blessed with self-government, contemplating ruefully the social conditions in his country, must look with compassion on the very young Irishman who believes if he is only allowed to marry his political ideal he will settle down and live happily ever afterwards. We are not all so young as that in Ireland. Political thought is ageing here very rapidly. It has been found out that heads do not exercise their noblest functions well while they are being broken; and about twenty years ago some Irishmen, seeing the inevitable fate of any prominent heads in politics, withdrew theirs, permitting them to exercise finer functions in quietude, in fact to exercise meditation rather than vociferation. The Eastern sages who meditated under the banyan tree, after analysing the great illusion, cast it from them and arrived at their true selves. Some few Irish sages, meditating long on the Irish state, dispelled for themselves the great illusion that the Irishman was a political animal and made the discovery that he was a human being, and with missionary zeal they set forth to proclaim this noble truth. When people realize they are human beings, political and economic thought becomes of age at once and is universally interesting. An

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actor plays many parts on the stage as he is ordered, but he is most truly interesting when he washes off the grease paint and becomes himself. The Irish people have for centuries played with intense self-forgetfulness the parts of heroes, saints, martyrs, rebels, agitators, mendicants, and other dramatic parts a great deal too exciting, too good or too bad, for any human nation's daily food. Many of the Irish actors are tired now of being superhuman or subhuman, and are laying aside these artificial rôles and taking to natural humanity and national domesticity. We can now meet other nations, sympathize with their problems, exchange thoughts, and compare children as domesticated households do. Our existence is becoming more interesting to ourselves and to others as it becomes more human, as we find out that our Irish problem is the English problem, the Colonial problem, the American problem, indeed, the problem of humanity everywhere, which is to bring up its young nobly and strong enough to grapple with this hard business of life.

To make its humanity noble individually and true citizens collectively is, or should be, the aim of all governments and reformers. The first aim is complicated in all modern states by the tendency of men to leave the land and flock to the cities. Humanity is like Antaeus, who received new vigour every time he touched the earth, but, when isolated from nature in great cities, it is like that giant upheld out of contact with the restoring mother by the grasp of Hercules. The second aim of our rulers, the making of men truly citizens, that is, conscious of identity of interest with their race, is obstructed by the individualism which is characteristic of our social order. We all have to push for ourselves, and we find it such an absorbing business that the tendency is to forget all about the others. The absorption of life in great cities is really the danger which most threatens the modern state. In the United States, even in Canada, hardly has the pioneer made a home in the wilderness when his sons and daughters are allured by the distant gleam of the cities beyond the plains, and they throng there. In England

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the countryside has almost ceased to be the mother of men, or at least to be a fruitful mother. Australia and New Zealand will soon find this problem to be theirs also. The magnitude of it is at first disguised because in England, in America, and in Germany, their cities absorb their country populations, and the statistics of population show totals which encourage the statistician, a creature ever more concerned about quantity than quality. But in Ireland we have few big cities. Our great cities are almost all outside our borders. The capital of Ireland is New York. The rural population of Ireland grows less without Galway or Limerick gaining. We are face to face with this problem with no crowded and towering cities to disguise the emptiness of the fields. It is not a problem which seems to lend itself to political solutions. Whether there be fair rents or no rents at all, the child of the peasant, yearning for a fuller life, goes where life is at its fullest. We all desire life and that we might have it more abundantly, the peasant as much as the mystic thirsting for infinite being, and in rural Ireland the needs of life were neglected.

The chief problem of Ireland, the problem which every nation in greater or lesser measure will have to solve, is how to enable the countryman, without journeying, to satisfy to the full his economic, intellectual, social and spiritual needs. We have made some tentative efforts. The long war over the land which resulted in the transference of the land from landlord to cultivator has advanced us part of the way, but the Land Acts offered no complete solution. We were assured by hot enthusiasts of the magic of proprietorship, but Ireland has not tilled a single acre more since the Land Acts were passed. Our rural exodus continued without any Moses to lead us to Jerusalems of our own. At every station boys and girls bade farewell to their friends, and hardly had the train steamed out, when the natural exultation of adventure made the faces of the emigrants glow, because the world lay before them, and human appetites the country could not satiate were to be appeased

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at the end of the journey. The first Irishman who made an attempt to see all round and through this problem was Sir Horace Plunkett, and his solution ought to be as interesting to other nations as to Ireland, for forces similar to those working in an Irish country parish are to be found in every rural community. The ring of cattle-dealers who dominate a fair in Ireland, for example, will find their American correspondence in a meat trust. The same drama is repeated only on a continental scale. Our policy in Ireland for dealing with rural difficulties could be adopted with slight variations in Canada, Australia, and India. Indeed it has been applied successfully in the latter country, and Indian reformers have acknowledged their debt to Ireland, while only a month ago an eloquent argument was made by a Burmese administrator for the carrying out in Burma of Sir Horace Plunkett's policy of "better farming, better business, and better living." The Irish farmer had to be made a good farmer, an intelligent business man, a true citizen of his country, able to develop his social, intellectual, and political life as freely as if he were a dweller in the cities. If any appetite of human nature is unsatisfied there will be unrest until it is satisfied. The unsatisfied hunger of one faculty will often influence a man more than the ninety and nine other appetites which desire no further food. No proverbial philosophy is more true than that which limits the strength of a chain to its weakest link, and we must make every link true. This may seem a counsel of perfection, but there are no other counsels of permanent value. The three links to bind the Irish countryman to the land were "better farming, better business, and better living," and in this formula Sir Horace concentrated the essentials of an immense scheme.

What kind of a being was this policy to be applied to? We must deal with averages, and the small farmer is the typical Irishman. The average area of an Irish farm is about twenty acres or thereabouts. There are hundreds of thousands who have less and many who have more.

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But we can imagine to ourselves an Irish farmer with twenty acres to till, lord of a herd of four or five cows, a drift of sheep, a litter of pigs, perhaps a mare and a foal, call him Patrick Molony, and accept him as symbol of his race. We will first see Patrick, before the new policy came into operation, trying to obey the command, be fruitful and replenish the earth. He would be fruitful enough. He would have a family of seven or eight children and they would help him to replenish the earth. There is no race suicide in Ireland. Patrick's agriculture was traditional. It varied little in the nineteenth century from the eighteenth. He grew a little oats and barley but he was strong on potatoes. He fed the earth with them until the earth was sick of them. He might achieve six tons an acre. On these he could feed his family and his pigs, with an occasional flavouring of American bacon and cabbage. He or his wife made butter by rule of thumb, unconscious of bacteria or lactic ferments. If things went wrong they did not blame the process. They cast the blame on the fairies. Their minds were the stuff out of which Mr Yeats' poetry was made. The butter was brought into a country town and sold for fivepence, sixpence, or sevenpence a pound to a local merchant. It took three gallons of milk under this system of home skimming to make a pound of butter, and the milk of Patrick's cows was rarely of more value to him than twopence-halfpenny. Patrick brought his pigs into the fair, and he was met there by a pig trust in miniature, a combine of buyers who fixed the price for Patrick's pigs over their whiskey the night before; and on the whole the psychological effect of whiskey is to make men more generous to themselves than to others. Patrick might wait all day with his pigs, but there was a finality about the prices like the laws of the Medes and the Persians. He relied on these pigs to pay his rent, and if he brought them back he would have the expense of feeding them and the practical certainty of meeting the same gang at the next fair. The cattle jobbers played the same game with Patrick's cattle.

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The fairs were "laid out." Mrs Molony would come into the fair with Patrick. She would have a basket of eggs and some fowls and these she would barter for tea, sugar, oil or flour. The trader would make a double profit out of Mrs Molony on every transaction. As a farmer's profits are uncertain, Patrick often had to buy on credit. There is what is called in Ireland a "long price," which is put on when the customer is short of cash. Patrick might buy fertilizers which he called "bag stuff," whose power to fertilize his crops he often judged by the powerful odour it exhaled. If he could not pay in spring, the end of autumn would often find the price nearly doubled.

Patrick rarely knew where his produce went to, whether it was devoured in the next county or went across the Channel. He might have been pitching it into the void for all he knew of its destiny. He was the primitive economic cave man, and the darkness of his cave was unilluminated by any ray of general principles. He had a dark appreciation of the intelligence of the middlemen who swarmed about him. They were the most powerful beings he knew, and we needs must worship the highest. Patrick gave his vote to elect the middlemen he dealt with to such offices as popular voting enabled him. He sometimes sent the big man to Westminster, acting as his great countryman Burke indicated when he said, in a marvellous flash of insight, "Men try to propitiate the evil deities as well as the good," and Patrick, well aware he was up to his nose in debt, propitiated the dark power, doubtless with some meditation in his mind like that of Caliban upon Setebos. Patrick was a desperate man, in the mood out of which economic revolutions are made. He read nothing except the local paper, and what a god-forsaken sheet that was! But Patrick had a soul. He lived and moved and had his being in the loveliest nature, the skies over him, ever cloudy like an opal, and the mountains flowed across his horizon in wave on wave of amethyst and pearl. There were depths in Patrick's soul of which he was himself unconscious, as there are in all people who live

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in constant fellowship with the great companions, with the earth and the sky and the fire in the sky. We ponder over Patrick, his race and country. Is there the seed of a Pericles in Patrick's loins? Could we carve an Attica out of Ireland?

Before Patrick can become the father of a Pericles, before Ireland can become an Attica, Patrick must be led out of his economic cave, his low cunning in barter must be expanded into a knowledge of economic law, his fanatical concentration on his family be sublimed into national affection, his unconscious depths be sounded, his feeling for beauty be awakened by contact with some of the great literature of the world. His mind is virgin soil, and we may hope that like all virgin soil it will be immensely fruitful when it is cultivated. It may be doubted whether Sir Horace Plunkett had any thoughts of Attica when he began his work, but like all good architects he builded better than he knew. The writer coming many years ago on Sir Horace at work, inquired what he was doing. He was told that busy man was making straight roads from Ireland to the markets. But it seemed to the writer that the road wended far away beyond the markets to a region of nobly settled society, and he joined in to the best of his ability. We will now watch Patrick, no longer the primitive economic caveman, but emerged and blinking at the light, not yet fully conscious of the character of the new social order he is helping to build. What changes are brought about in Patrick? How is he affected as a farmer? He has in some measure realized the dignity of his profession. He knows he is a manufacturer, and he stands out for the right all manufacturers are entitled to, to buy the raw materials for his industry which he works up again, at trade prices. He has joined with his neighbours in a co-operative society, and his fertilizers, his feeding stuffs, his seeds, his machinery, are purchased on wholesale terms. This means much to Patrick. He is able to obtain fertilizers which had been sold at £5 per ton at nearly half that cost. He had hitherto used as little artificial fertilizers as possible, but he now increases his purchases, and his crops benefit.

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The manufacturer also benefits by the cheapening of distribution. There is a larger demand and consequently more production. Manufacturers pay dividends now who for years had hovered on the perilous line between loss or gain. Patrick has realized also that it is time for his methods of butter-making to become part of Irish folklore and tradition. His churn now makes quite an ornament in his garden, growing nasturtiums or geraniums, and Sir Horace Plunkett has instructed Patrick how he and his neighbours could by uniting together build a creamery. A committee of farmers controls its business, and an expert butter-maker manages it, and markets the butter. Under the new system a pound of butter can be made out of two and a quarter gallons of milk, and the butter made is so much more uniform in quality that it sells for fivepence or sixpence per pound more than the home-made butter did. Patrick's milk, instead of being worth threepence at the most, as it was under the old system, is now worth sixpence a gallon. The result on Patrick's finances may be guessed by this story, told by a farmer in Mayo, who said a few weeks ago that his annual income from his milch cows had increased from £27 to £81 since the creamery started, and another farmer in Waterford, who had kept accounts of his herd for twenty years, said that his creamery had increased his annual income by five shillings to every pound he made previously.

We may imagine Patrick, as a member of the creamery committee, getting hints of a strange doctrine called science from his creamery manager. He hears about bacteria, and these dark invisibles replace the fairies of his childhood. They are not so poetical, but the wizardry of the new doctrine is more effectual than the wizardry his mother practised when she laid out a bowl of milk to propitiate "the good people." Boiling water plentifully applied to pots and pans is found a more efficacious form of Druidism. Watching his creamery manager at work Patrick develops a new respect for the man of special or expert knowledge. Physical science is even more productive of income than political science, and Patrick takes note of the

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fact. He has, by sitting on the creamery committee, become something of a practical economist. He knows now where his produce goes. He learns that he has to compete with Danes, Americans, Russians, and Colonials, indeed with the farmers of the world, hitherto concealed from his view by a mountainous mass of middlemen. He begins to be interested in those countries and reads about them. Patrick is becoming a citizen of the world. His horizon is no longer bounded by the wave of blue hills beyond his village. The roar of the planet begins to sound in his ears. What is more important is that he is becoming a better citizen of his own country. The new rural policy excluded religion and politics from subjects which might be discussed in committee rooms, and Patrick and his neighbours, Catholic and Protestant, Nationalist and Unionist, meet and discuss matters of common interest. They also meet the members of other societies frequently in district conferences and in Dublin at co-operative congresses, and the co-operative Patricks all over Ireland find their interests are identical and a new friendliness springs up between Ulster and Munster. Local co-operation leads on to national co-operation. The best intellects, the best business men in the societies, go to and from Dublin. They meet as directors of federations of the farmers' associations, and they get an all-Ireland view of their industry. They see the parish from the point of view of the nation, and this vision does not desert them when they go back to the parish. They realize that their interests are bound up with the national interests, and they discuss legislation and administration with practical knowledge. Eyes getting keener every year, minds getting more instructed, concentrate on Irish public men. Presently Patrick will begin to seek for men of special and expert knowledge to manage Irish affairs. Ireland has hitherto been to Patrick a legend, a being mentioned in patriotic poetry, a little dark Rose, a mystic maiden, a vague but very simple creature of tears and aspirations and revolts. He knows now what a multitudinous being a nation is, and in

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contact with its complexities Patrick's politics take on a new gravity, thoughtfulness and intellectual character.

We may leave for a moment our typical Irish farmer after an agricultural sleep of ages, developing rapidly, as mummy wheat brought out of the tomb and exposed to the eternal forces which stimulate and bring to life. The character of the agencies working out the new policy of better farming, better business, and better living claim attention. The business side of the policy had to be promoted first, because there was very little stimulus to better farming unless a system of marketing was in operation by means of which the full market value of produce was assured to the farmer, and every improvement in quality was followed automatically by an improvement in price. Better living was clearly an impossible policy to preach without due precedence being given to better business. It is heartrending work alike for farmer and agricultural instructor, after having laboured hard to populate the farm with better live-stock and better crops, to find the jobber still at his old game of fixing prices, the eggler still buying eggs by the score, large and small, brown and white, indifferently, instead of buying them by weight and so encouraging the production of large eggs. The retailer sorts his eggs while selling them into large and small, but if the local egg merchant buying from the farmer does not discriminate in price the farmer's wife sees no reason why she should buy the aristocratic birds recommended by the poultry instructor. If better butter is made and no improvement in price follows, scientific teaching seems futile. So Sir Horace Plunkett began his scheme of rural reform by concentrating first on better business. He pioneered for a while unsuccessfully, talking business to a country which was wallowing in the political emotions incidental to the penny dreadful state of nationality Ireland was in twenty years ago.

People at last began to listen to him and a few friends volunteered to help him in his work of preaching agricultural co-operation. The work in three or four years

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grew beyond the power of a few volunteers to deal with. The volunteers had created thirty-four societies and the growing co-operative family was always clamouring for advice. So in 1894 an appeal was made for aid to the friends of Irish farmers, and the famous Irish Agricultural Organization Society was formed. Its objects were to combine Irish farmers in co-operative associations wherever it was clear that combined effort would be more beneficial than individual effort. It employed a staff of organizers who very soon began to work a revolution in rural Ireland. For nigh a century Irish farmers had placed all their hopes of securing improvement in their economic condition on political action. The success of the pioneer societies very soon convinced farmers that organization for business purposes would help them enormously. A man by relying on political action might hope to get his rent reduced by five shillings an acre. He found agricultural organization would not only double that amount per acre by lessened expenditure on fertilizers, but the new policy would also increase by one-third the income he would derive from his farm, whether the produce went away in a bag, a milk can, or on four legs. In twenty years the propagandist society has made agricultural co-operation a national policy. It has organized one hundred thousand farmers in close on nine hundred and fifty societies, with a turnover which has long been over two and a half million pounds annually, and which it is estimated this year will be close on three million pounds. The societies carry on the business of co-operative dairying, deal in poultry and eggs, scutch flax, buy agricultural requirements, secure cheap credit for their members, cure bacon, while some provide employment in lace and crochet making for the women. The total business done by these societies since Sir Horace Plunkett began his work is £25,734,581, computed from the reports of the I.A.O.S., which is the popular alphabetical abbreviation of the lengthy name of the organizing body. But these figures do not really represent the financial gain to

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Irish farmers, because the economies effected by joint purchase, the profits gained by joint sale, have forced the older agencies for distribution and marketing to mend their ways, to bring down prices for requirements, to increase prices for produce; and there has been a levelling down of the cost of requirements and a general rise in the prices paid locally for farm produce all over Ireland.

The I.A.O.S. is a democratic body. Originally formed of the friends of Irish farmers it has gradually come to be a union of farmers' societies, and the committee of management is elected by the affiliated societies who every year supply more of the funds required to keep the organizing staff in the country. The I.A.O.S. is the sole great organizer of self-help in Ireland. It preaches energetically and proves the gospel so neglected in these days, when despairing democracies look for everything to the State, that what men can do to help themselves is infinitely more beneficial in its results for them than any State action could be. It has engendered a new pride, the pride of self-reliance and independence, in a country where for years the commonest episodes to come across in country papers were reports of meetings calling on the Government to assist in starting "an industry" in the locality. The farmers have invested over £500,000 on buildings, machinery, and plant for their new enterprises. They boast that they did it themselves without State aid, and they are jealous of any State interference with industries which the State did not build up. The success of these local enterprises has dispelled the pessimism with which all efforts to raise Ireland had been regarded. Optimism has replaced pessimism. The writer read only a few days ago a speech made by the chairman of a prospering society in which he referred to the remark of a visitor that the society had done its work well. "Done its work! Why, we are only at the beginning of the work!" and he reeled off a long list of enterprises to follow the co-operative creamery, a Raiffeisen bank, a cow-testing association, a

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bacon factory, a poultry society, and an organization of women. The cheerful feeling of infinity, of "the long white road before me leading wheresoever I will," was in his mind. Despair, self-mistrust, and ignorance, old companions of the Irish mind for the last century, the feelings which withered the faculties, are being discarded, and hope, courage, self-reliance, a new cavalcade of gaily coloured emotions, accompany the mind of Ireland as it starts on its journey through the twentieth century.

The farmers had hardly begun to start their creameries and agricultural societies, when the need for scientific and technical knowledge became apparent to the workers on the new movement. The new enterprises, so much larger and more complicated than the individual enterprises of the farmer, required for their success the services of experts, of agricultural bacteriologists, chemists, engineers, and business men; and the fact that the managers of the new creameries and agricultural societies had as a rule to learn their business at the expense of the members, led to a demand for State aid where State aid can be most rightly applied, that is, to supplement self-help by furnishing agricultural and technical instruction. Sir Horace Plunkett, with the prestige of his new movement to back him, organized a representative committee of Irishmen of all parties, known as the Recess Committee, to consider Irish agricultural and industrial problems. Agents of this committee were sent to various European countries and furnished reports on State aid to agriculture. The report issued by the Recess Committee, a famous document in Ireland, was a most illuminating analysis of Irish economic conditions. Mr Gerald Balfour, then Chief Secretary for Ireland, accepted the most important of the reforms suggested by the Recess Committee, and the Department of Agriculture and Technical Instruction came into existence in the last year of last century. There is no doubt it will finally do all its founder intended, but a State department is not like a voluntary body, and is trammelled by all kinds of traditions, grown up

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in the public service, and is subject to constant pressure from political and trade interests. A voluntary association, being composed solely of people who are enthusiasts in a cause, sets about its reforms cheerfully and without hindrances from within. It expects hostilities from without and is prepared for them. All reformers distrust vested interests, but a State department, owing to Parliamentary criticism and control, and the exigencies of the party system, has to proceed on more conventional lines and await the creation of public opinion before it can accept and promote a daring policy.

The Department of Agriculture, so soon as political opinion ratifies the national acceptance of agricultural co-operation, will work in harmony with the organized farmers and will double its own efficiency. Just at present the agricultural middlemen, a very powerful and numerous class in Ireland, disturbed by the farmers' resumption of control of the business connected with agricultural purchase and sale, are able to prevent departmental co-operation with the organized farmers, indeed have influenced the present head of the Department so far that that institution is popularly regarded by the Irish farmers as definitely hostile to agricultural co-operation. It is a situation which evokes the ironic mood to see agricultural middlemen meeting in the rooms of the State Department of Agriculture, and, under the aegis of the Minister of Agriculture, forming a league to fight the farmers! But this cannot be permanent. On the whole it is a good thing for a movement to meet plenty of opposition. It becomes self-conscious of its own ideals more rapidly under persecution. A movement is like a child which does not at first realize its identity. But when it has tumbled over a coal scuttle, and scraped its shins, and burned its fingers in the fire, and has eaten strange indigestibles, and has suffered the consequences, it begins to realize "I am Tommy," and protects itself. The farmers' movement has met with opposition so fierce that it vies with Home Rule for the honour of being the most contro-

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versial matter in Ireland, but has always grown stronger the more it has been attacked. It has become self-conscious of its own ideals, and every act of political hostility, every manœuvre of trade interests, has flung the farmers more back on their own ideals and has evoked more loyalty to the societies and their central union. It is now only a matter of a very few years before political pressure on the Department of Agriculture must cease, and it will then take that attitude of friendly co-operation to the organized farmers which its founder intended and which its officials desire. But State departments, no matter how well they work, are never so interesting as self-help movements. The agency to promote better farming will do its work well. It has large endowments. It works through the County Councils, and its experts and instructors are in every county in Ireland.

It will be as difficult to find an Irish farmer of the next generation ignorant of scientific agriculture as it is now, after the Education Acts, to find an illiterate. Farmers all over Ireland, who used to talk of fertilizers as "bag stuff," and judged their potency by smell, now talk of units of soluble phosphates and percentages of ammonia. Our typical Patrick Molony, instead of digging up six tons of mediocre potatoes, is much more likely to dig up a dozen tons or more per acre. The queer picturesque Irish fowl, of incalculable ancestry and with a marked disinclination to lay enough eggs to pay for its keep, is giving way to more aristocratic fowl with a sense of *noblesse oblige* in this matter. There were six millions more poultry in Ireland last year than there were six years before. The long razor-backed pig which had some of the agility of the Irish horse in leaping stone walls, is being replaced by a creature far less picturesque or paintable, more comfortably rounded, in whom good feeding shows rapidly. Everywhere the quality of the dairying cattle improves and there are signs of a revival of tillage. The policy of better farming is beginning to work. The policy of better business is in full swing. The policy of better living is now attracting more attention,

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and another voluntary organization, of Irish countrywomen this time, has been formed to assist in making rural Ireland a place nobody would wish to emigrate from. They call themselves "United Irishwomen," and have, within the last year, begun energetically the work of organizing Irish countrywomen. They promote dances, flower shows, exhibitions of home industries and farm produce, village halls, libraries and women's industries. They look after the feeding of children in the schools, the nursing of the sick, the sanitation of houses, and domestic economy generally. Indeed their objects include the whole range of women's work. It is the feminine counterpart of the farmers' organization, and the women have set to work with such eagerness that it is likely, in a few years, these branches will be as numerous as the co-operative societies. So we have these three agencies at work in Ireland on the agricultural problem, the State educating, the I.A.O.S. organizing business and building up a new social order, and the women bringing in health, kindness, gaiety, and beauty.

Women are the reserve force of Irish humanity, the battalions hitherto never called into action. They are being called out to-day and pressed into service because the need is great. Unless we can create in the countryside a rural civilization capable of attracting and detaining its population by the advantages it offers, equal with the urban civilizations in prosperity, beauty, and intellectual life, the countryside will become more and more deserted by its humanity. The exploitation of the earth will become the business of great capitalistic companies. We shall have still greater cities, and in a century the earth will become like that earth foreseen by Mr Wells in *The Sleeper Wakes*. To keep the rural population on the land, to stop the urbanization of life, industry, and thought, we organize the men to do men's work, the women to do women's work. We in Ireland wish to bring about the complete control by farmers of all the business connected with production and sale of agricultural produce. We in Ireland

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wish to substitute the rural community, banded together for social and economic purposes, for the melancholy and lonely life of the unorganized farmer, beset by powerful combinations of middlemen and city speculators whom he is powerless to cope with, and who leave him the barest margin of profit on which he can live and work. It is the only way a rural civilization can be built up. Canada and Australia have now or will shortly have the same problems as we in Ireland, only on a continental scale. Ireland is a microcosm of the rural problem of the world. The solutions it offers are as applicable to Canada, India, Burma, and Australia as to Ireland. It is not a problem for which any political solution seems possible. The statesman, by land legislation, may clear the way a little, but the men on the land, and the women on the land, must themselves do the real work and make a fight for the good ancient life of the farmer.

It must be a fight to a finish, with no compromise. We tried dual ownership of land in Ireland and it led to intolerable situations. Dual ownership or control of an industry is still more exasperating. The farmer cannot go on producing while somebody else controls the marketing of what he produces. He cannot manufacture while he is denied the right which manufacturers the world over are given freely of buying the raw materials for their industry at trade terms. Imagine a great firm like Harland and Wolff buying the nails for an ocean liner on the same terms as the man who wants to build a shed in his back yard. Agriculture is the greatest industry in the world, the only one which is absolutely necessary, and those engaged in it must be allowed to carry it on in the manner in which great industries are organized in modern times. The buying of raw materials, fertilizers, feeding stuffs, etc., must be on a large scale, the manufacture of cheese, butter and bacon must be taken out of the home and carried on in the co-operative factory. The sale of bacon, butter, cheese, poultry, eggs, fruit, and grain, must be through wholesale agencies controlled entirely by representatives of the organized farmers. The State will

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never dare to arouse the antagonism of the powerful interests now profiting by the feebleness of the farmers whom they exploit. This battle requires self-help, courage, and loyalty to each other on the part of the farmers. They hold all the winning cards in their hands if they choose to play them. It is certain we shall win in Ireland. We can judge from the gigantic growth of agricultural co-operation in all civilized countries that the farmers will everywhere win the control over their industry which they had lost to keen-witted business men from the cities, and the centre of political power will shift from the town to the country. If statesmen have thoughts of the future of humanity they will welcome this change, for it brings with it security of health, sanity, and political stability. It is not war on the city, but the security of the prosperity of the city. In Ireland we are supposed to be starting a war of country against town, but there is nothing more certain than this, as the country decays the towns decay, and as the farmers prosper the city prospers. Agricultural wealth, if we take agriculture in its widest sense as including rice in India, maize in America, tea in China, rubber in Brazil, is the equivalent and measure of the wealth produced in the cities in mill and factory. The one pays for the other. The production of agricultural wealth limits the production of the city manufacturer. If the balance be not true, if there be a decline in agricultural production, a failure in crops, men will surely be out of work in the cities, and commercial crises will occur. On agriculture everything else depends finally, and the statesmen of Empire, who have to consider so many problems and see ahead so many years, ought to brood over this most of any.

We took Patrick Molony as the typical Irish citizen because he represents the most numerous class. We have tried to outline his circumstance and character clearly, because the only way in which you can have good government is by having a clear vision of the man to be governed. Reasoning from abstract principles about justice, democracy,

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the rights of man, and the like, often leads us into futilities, if not into dangerous political experiments. A dictator may conceivably be the only person in the realm with a high ideal of justice, and the knowledge may have led him to usurp dictatorship. The rights of man begin to have a meaning when man begins to see and act rightly. We have to see our typical citizen in clear light, realize his deficiencies, ignorance, incapacity, and his possibilities of development, before we can wisely enlarge his boundaries. The centre of the citizen is the home. His circumference ought to be the nation. The vast majority of citizens rarely depart from their centre, or establish those vital relations with their circumference which alone entitles them to the privileges of citizenship and enables them to act with political wisdom. An emotional relation is not enough. Our poets have sung of United Ireland, but the unity they sang of was only a metaphor; it mainly meant separation from another nation. In that imaginary unity men were really separate from each other. Individualism fanatically centring itself on its family and family interests interfered on public boards to do jobs in the interests of its kith and kin. The new rural movement in Ireland is connecting with living links the home, the centre of Patrick's being, to the nation, the circumference of his being. It is connecting him with the nation through his membership of a national movement, not for the political purpose which calls on him for a vote once in four or five years, but for economic purposes which affect him in the course of his daily occupations. His local society is federated with a central union and with great national federations. There are county conferences of farmers and national conferences of farmers, where their joint interests and ideals are discussed. The Ulster man meets the Munster and Connaught farmer on friendly terms where their interests are identical. Patrick and his like are being drawn out of themselves into community with national interests. They do not hear wild talk. They do not talk wildly, for they are not dealing in words, but with

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things. They are considering trade questions on which their income depends, and there is no greater steadier of judgment than the knowledge that your income depends on your decision.

This organization of the most numerous section of the Irish democracy into co-operative associations, as it develops and embraces the majority of the people, will make a nation truly one and indivisible and conscious of its unity. The individual, however meagre his natural endowment of altruism, will be led to think of the community as himself, because his income, his social pleasures, depend on the success of the local and national organizations with which he is connected. The Patrick Molonys of twenty years ago pursued a petty business of barter and haggle, pulling the devil by the tail, and fighting for their own hand against half the world about them. The Patrick Molonys of the next generation will grow up in a social order where all these transactions which narrowed their fathers' hearts, will be communal or national enterprises. How much that will mean in a change of national character we can hardly realize, we who were born in an Ireland where petty individualism was rampant, and where every child had it borne in upon him that he had to fight his own corner in the world against all comers, where the whole atmosphere about us was tending to the hardening of the personality. We may hope, we may believe, that this transformation of the social order will make men truly citizens, thinking in terms of the nation, identifying national with personal interests. For those who believe with Whitman that there is a divine seed in humanity, "In every life a share or more or less, none born but it is born, concealed or unconcealed, the seed is waiting," this atmosphere, if any, they may hope, will promote the swift blossoming of the divine seed which in the past, in favourable airs, has made beauty or grandeur or spirituality the characteristics of ancient civilizations in Greece, in Egypt, and in India. No one can work for his race without the hope that the highest or more than the highest humanity

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has reached will be within reach of his race also. We are all laying foundations in dark places, putting the roughly hewn stones together in our civilization, hoping for the lofty edifice which will arise later and make all the work glorious; and in Ireland, for all its melancholy history, we may, knowing that we are human, dream that there is the seed of a Pericles in Patrick's loins, and that we might carve an Attica out of Ireland.

All the hopes of Irish patriots in the past have been based on the grant of an Irish constitution. The younger generation, not denying the value of a constitution or the importance of good forms of government, place their main hopes for Ireland on the building up of a new social order. There has been no social order in Ireland for centuries. The kindly humanity one meets in Ireland was engendered by community in sorrow. We have to continue and intensify that humanity in the happier community of prosperity. It is a labour which calls for the best intellect of Ireland. We have changed from a feudalism without the tradition of *noblesse oblige* among its chiefs to a democracy without culture among its units. Outside some half-dozen of the principal towns there are no book-shops in Ireland. In time this will be remedied. Village libraries are being promoted, but the country folk of any nation are rarely great readers. It is probable that rural education will always be largely practical, made up of the things a man learns in the fields, in the fairs, in the village hall, and in the farmers' associations. The countryman does not easily understand the meaning of our over-subtle and sophisticated modern literature. He has depths enough in his being, but life will be his teacher more than books, and we have to see to it that life will be to him a noble co-operation with his friends rather than a struggle with those about him. This it is in the power of the reformer to make possible, and the divine seed may blossom there. Urban life offers infinitely more perplexing problems, and the absence of many great industrial cities in Ireland, which has been deplored by many

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people, is perhaps the circumstance which affords most hope for the welfare of Ireland in the immediate future. Our problem is mainly rural and simpler to solve than the problem of great industrial communities such as exist in England, and the next quarter of a century should see Ireland not indeed a wealthy country, but one where nobody will be very poor.

The writer has preferred to deal with the aspects of Irish life which lie beneath the political questions. They are, finally, of more importance. Self-government will only succeed if we can create a true spirit of citizenship, and there seem no stronger forces working in Ireland to cast men into a national mould than those indicated. There will always be, there has never been any lack of, men of fine character and intellect in Ireland, but their power to impress their character and intellect on Ireland has been limited by the absence of national ideas in the mass of the people, caused by the lack of a social order which would have generated the popular moods out of which a noble national life could be moulded. True patriots like Thomas Davis never really had so much influence as the politicians who, perhaps rightly, called for the remedy of immediate grievances. We shall be judged as a nation in future by what we create. The measure of the coming patriotism will be what it constructs, not what it pulls down. We shall have our main trouble with labour, which is more badly paid in Ireland than in any other State in the Empire, if we except India. The agricultural labourer rarely averages more than eleven shillings weekly, a wage which will bind none but the unambitious to his country. Farmers who were themselves engaged in an economic struggle for half a century could hardly be expected to be generous to those they employed. But with increasing prosperity, with the certainty of a rise in the value of farm produce, with outside pressure from labour, which is beginning to organize itself, and with, we may hope, some impulsion from within of natural humanity, this will be mended. The growth of co-operative socie-

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ties will directly help the labourers who can become members of agricultural banks, and be able to get loans at low rates of interest to purchase a cow, pigs, bee appliances, seeds and fertilizers for their plots, and by joining co-operative stores will be able to buy cheaply their domestic requirements. As the farmers' societies enlarge the scope of their business they will be able to employ labour, not only on the land, but in the societies' premises, to manufacture locally what can be done locally, to repair agricultural machinery, harness, saddlery, to do carpentry, and so forth. One society in County Wexford already in this way employs over thirty hands permanently, and the number employed has sometimes risen to fifty. Permanent employment must be given to labour or it will desert the intermittent employer. Agriculture employs labour intermittently, at least in Ireland, leaving the labourer too often to warm himself in winter as best he can when he most wants work. Our rural communities will have to provide this permanent employment or lose labour by emigration.

Labour organizations are growing stronger in Irish towns. Hitherto no man of outstanding ability has led them. But there is enough sweated labour in Ireland to make a labour revolution no hard matter for a man of strong character, with genuine sympathy for the class he would lead. The Irish industrial revival, of which much has been written, is not yet financially strong enough to pay good wages to the labour it employs. The employers, if we except a few firms of world-wide reputation, are now in very much the same position as the farmers were a quarter of a century ago, when they were fighting for their own existence as farmers, when they could not afford to deal generously with those they employed. That there is a real increase of prosperity is shown by the Irish trade in imports and exports, by the great increase in the import of luxuries, by the fact that, while the internal production of milk, butter, poultry, and eggs has increased, the export of these articles is decreasing, a fact which can

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only be explained by the advent of a higher standard of living in Ireland. But the industrial revival, while genuine, is partly due to other causes than increased industrial energy. It is partly caused by the general lowering of agricultural rents, which left the farmer more money to spend on domestic comforts, and he has also benefited by the universal rise in food prices, as well as by the work of bodies like the I.A.O.S. and the Department. The increased purchasing power of the farmer has benefited the manufacturers and merchants; and it has been calculated by the secretary of the Belfast Industrial Development Association, that to the increase in exports of Irish manufactured articles an increase in the internal trade, at least as great, must be added if we are to arrive at a true estimate of the improvement. Labour will shortly demand its share of the increased prosperity, and we can only hope that the co-operative ideal will by that time have pervaded Ireland, and will lead to the co-operative and co-partnership solutions of the labour problem, and that we may be spared the bitterness of a long war between labour and capital.

It is not likely Ireland will be socialistic. Political power will, for generations to come, be in the hands of farmers who own their own lands. Men will freely join together in the voluntary communism of effort, and co-operation in all probability will replace the idea of the national ownership of land and industry. No political party will rise to power in the advocacy of State ownership of land or State direction of industry. If the writer were asked to put into a single sentence his anticipation of what Ireland would be like in half a century, he would say by that time it would be far on the way to the realization of the Co-operative Commonwealth; and that its social order would be made up of innumerable co-operative associations, rural and urban, and that in great manufacturing enterprises labour would be in co-partnership with capital. If the political question were settled, many who now concentrate all their energy on the attainment of self-government would throw themselves

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into the movement created by Sir Horace Plunkett. Its fundamental idea has got into the Irish air. It will soon be applied not merely to rural industry, but will colour national life and thought in its entirety. Really fundamental ideas have an expansive power and are endlessly fruitful. They are capable of application in a thousand different ways. Darwin, for example, had hardly concluded his exposition of evolution before Walter Pater was applying the idea in art criticism, and was writing about the famous and now lost beauty of Mona Lisa as the culmination of exquisite emotions and strange passions moulding humanity through a thousand ages, until they expressed themselves in that face "into which the soul with all its maladies had passed." Similarly by reflex action the fundamental idea of Sir Horace Plunkett's movement is affecting, and will affect still more, the character of Irish life and Irish thought generally. It is proving itself endlessly fruitful. It is a real policy, a policy capable of widest application, and that is something more valuable than the opportunism which tinkers here and there at a crack in society, but has no guiding fundamental ideas, no vision of a social order into which national life might be builded. It is a policy which will steadily make its way in Ireland whether Ireland be governed from Westminster or College Green; and if we have self-government it will in its final conquest of the offices of power make Ireland a nation permeated from centre to sea with the idea of mutual aid, and will have helped with this idea in making the soul of the country.

THE BRISBANE GENERAL STRIKE

(COMMUNICATED BY A CORRESPONDENT IN QUEENSLAND)

I

AUSTRALIA has always had its share—many people will be inclined to say more than its share—of industrial troubles, but none, it may safely be asserted, which has aroused more widespread interest and concern than the remarkable upheaval which took place in Brisbane during February last. Compared with the great struggle which, at the time these lines are written, is raging in Great Britain, the Queensland strike will, no doubt, appear small and insignificant. Nevertheless it exhibited some special features which make it well worth a careful study. First and foremost, it was a “general” strike—that is to say, a studied attempt—such as had often been talked of, but had never before been put into practice in Australia—to bring about a complete stoppage, not merely of the work of a particular industry, but of all the varied activities of a whole community. And as if to emphasize the wide scope of their ideas, the leaders—for part of the time, at least—took upon themselves to assume, to all intents and purposes, some of the essential functions of a lawfully-appointed Government, in opposition to that already in existence. They granted licences or “permits” for the carrying on of certain business, under conditions prescribed by themselves, and endeavoured to prevent any work from being done without such license. They appointed peace officers, to the number of several hundreds, furnished them with badges of authority, and sent them out to maintain order in the streets. They even went to the extreme length, according to a statement made by one of their own number, of applying to the Federal Government for military aid against what they termed the aggres-

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sion of the State police, a request which, it is hardly necessary to say, was not entertained. Further, the trouble was not occasioned by any demand for higher wages, shorter hours, or better conditions, such as we are accustomed to look for in most industrial disputes. The employés of the Brisbane Tramways Company, with whom the quarrel originated, were said to have enjoyed, at the time, conditions equal if not superior to those of any body of men engaged in similar occupations throughout Australia. And of the other forty-odd unions which "came out" in sympathy, not one alleged any real grievance as a reason for their action. Indeed, many unionists distinctly declared that they had no quarrel whatever with their own employers. The whole affair turned upon what was practically a matter of abstract principle, and one, too, which was already in process of decision by a judicial tribunal. And, finally, the lawlessness and disorder which accompanied the earlier stages of the conflict, and which at one time threatened to develop very serious consequences, were repressed, not by the organized military or civil forces of the Commonwealth or the State, but by the spontaneous and decisive action of the citizens themselves.

The causes, real and apparent, of this extraordinary outbreak of militant unionism, together with its significance when viewed in connexion with the conditions and ideals of organized Labour, as it exists in Australia to-day, will be discussed later on. But first it is advisable to give a brief sketch of the principal events of the strike itself, together with those immediately preceding it, in order that the exact situation in Brisbane during February last may be understood.

The ostensible cause of all the trouble was a claim made by a section of the employés of the Brisbane Tramways Company to wear while on duty a small metal badge indicating membership of the Australian Tramway Employés Association, a federation of unions, with its head-quarters in Melbourne. This claim the company's manager, Mr

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Badger, opposed on the ground that the display of distinctive tokens of this sort was likely to provoke dissensions and ill-feeling among the men themselves. Mr Badger's reputation, it should be noted, stood high as that of a kindly and considerate employer. He made no secret, however, of his entire aversion to any connexion between the men under him and the Association in question. Such connexion, he held, involved two very grave disadvantages. It gave power to an executive body, sitting in a city a thousand miles away, to exercise control over the Brisbane men, and to intervene in the event of differences arising between them and himself. And it also made it possible for the company to be dragged into a quarrel affecting Sydney, Melbourne, or Adelaide, with which it had no possible concern. After some little friction, the question was referred to the Federal Arbitration Court for decision. But before it came on for hearing, the Brisbane men, acting, it is understood, upon instructions from Melbourne, decided to take the law into their own hands, and to wear the badges, in defiance of the company's regulation to the contrary. This took place on January 18. It is alleged, as a defence of their ill-advised action, that the men were irritated by the long delay in bringing the claim before the Court, and wished to force matters to a climax. Be that as it may, the results were immediate and important. The badge wearers were at once suspended, and informed that they would be allowed a certain time within which to conform to the company's regulations, and return to duty. On their failure to do this, their places would be filled.

The suspended men applied to the Trades Hall, with which their union was affiliated, for assistance, and an attempt was made to open negotiations with Mr Badger, with a view to arriving at some solution of the difficulty. That gentleman, however, steadily refused to permit any third party to intervene between himself and his employes. The question, he declared, was now before the Arbitration Court for decision, and until that decision was given the regula-

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tions of the company must be obeyed. There was no more to be said. The next move in the game was a conference of all the trades unions controlled by the Trades Hall, forty-three in number, to consider the position. As the Press was rigorously excluded it is difficult to ascertain exactly what took place at this gathering; but as a result of its deliberations it was announced on January 28 that the labour organizations regarded Mr Badger's reply as a direct challenge to unionism as a whole, and that unless the employes' demands were conceded by Tuesday, the 30th inst., a general strike of all the trades and industries represented would at once be declared. Mr Badger remaining firm, and all efforts to bring the contending parties to some agreement having failed, on Wednesday, January 31, the great struggle began.

Its opening hours were apparently peaceful enough. The leaders—there is no reason to doubt, in all sincerity—issued formal instructions to their followers to “remain calm and refrain from any disorder.” The crowds, wearing the red ribbon of the Socialist party, who thronged the streets, seemed for the most part curious and good-humoured, rather than aggressive. But this state of affairs could not last long. When thousands of men and boys are taken from their ordinary occupations—especially, as in this case, in protest against some alleged injustice—and thrown idle on to the streets of a city, sooner or later trouble is sure to ensue. Besides, in order to render so complex a movement as a general strike in any sense effective, it is not sufficient that only the strikers themselves should be idle, but also as many others as possible must be induced to cease work. So far as the unions were concerned, the industrial wheels had come practically to a stop, but outside the ranks men were here and there still striving, though under difficulty, to continue their ordinary avocations. In such circumstances “peaceful persuasion” soon began to give way to intimidation, abuse, and, in some cases, actual violence. The hooligan element, too, always ready to take

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advantage of times of unrest, soon began to make itself apparent, and added to the general feeling of disquiet. Before the day closed a number of disorderly scenes had taken place. Bands of red-ribboned men and youths, ripe for any mischief, paraded the city, abusing, threatening, and even assaulting the few who attempted to carry on any work, and forcing shopkeepers to close their doors. Fortunately, beyond the breaking of a few windows, little or no damage to property was done. But on Thursday morning it was evident that the situation was becoming critical. Trade and business of every kind were practically at a standstill, many shops remained closed, and others which ventured to take down their shutters replaced them after a few hours. The shipping trade of the port was paralysed, vessels could neither load nor unload, the tramcars, and after nightfall the railway trains also, had ceased to run, and, with but few exceptions, cabs and omnibuses followed their example. Crowds, no longer good-humoured as yesterday, filled the streets; everywhere the red badge of Socialism was to be seen. Riots, which at any moment might have assumed serious proportions, took place at various points, and more than once the police came into sharp conflict with the mob. The former, indeed, held their own, but to many anxious onlookers it appeared as if they could do very little more. Their numbers were comparatively few. Should the forces arrayed against them be augmented to any great extent, they stood, it seemed, in grave danger of being swept away, leaving the city at the mercy of the mob. It was rumoured also, that the failure of the usual food supplies was already beginning to be felt in many quarters; and one strike leader had not hesitated to tell his hearers that it was "better to steal than to starve." If those thousands of men and women once began to experience what real hunger meant—hunger not only for themselves, but for their children—pillage and destruction must inevitably follow. By evening something like a reign of terror prevailed. Many citizens went armed, while in outlying suburbs vigilance committees

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were hastily formed to guard homes and property against possible attack.

Meanwhile the position of the State Government had been a particularly anxious one. Upon Mr Denham and his colleagues lay the responsibility of maintaining law and order, but there were grave doubts whether the resources at their immediate command would be sufficient for the task. Not only had they to contend with the active elements of disorder, but there had been set up in the city what was practically a rival and hostile authority, which had taken upon itself to curtail the rights and liberties of the citizens, and to make and enforce its own laws. This usurping power had a large following. Indeed, it might be said that a considerable section of the community seemed to be on the verge of actual revolution. The only apparent defence upon which the constitutional authorities could rely was a body of police, well trained and capable, certainly, but comparatively few in numbers, and designed only to cope with the ordinary exigencies of civil life among an essentially law-abiding people. The State, it should be remembered, possesses no military forces of its own; all troops, whether regulars or militia, are under Federal control, and neither could move, except under orders from Melbourne. A false step—such as an appeal to force without ability to sustain such appeal—might have disastrous results. During the earlier stages of the trouble, therefore, little more could be done than to endeavour to hold the graver forms of disorder in some degree in check. But as rapidly as possible extra police, both horse and foot, were summoned from other centres and hurried into the city, while a large body of special constables was quietly sworn in. By Thursday evening the Government felt itself strong enough to make a decisive attempt to re-assert its authority.

Since the beginning of the strike, one prominent feature of the proceedings had been a daily procession of unionists, starting from the Trades Hall and marching through the

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city—a demonstration which, it was confidently believed, would impress upon the public imagination the tremendous strength which stood behind the movement, and the unwisdom of resistance to its demands. But this arrangement—legitimate enough in itself, perhaps—had been responsible for a good deal of the disorder of the last two days, and the authorities therefore decided to prohibit all such processions until further notice. A proclamation was issued to that effect, but it remained to be seen whether it would be obeyed. On the following day thousands of people repaired to the Trades Hall, only to find the streets in the vicinity held by a strong force of police, both mounted and on foot, while a barrier of loaded rifles and fixed bayonets effectually blocked the proposed line of march. The strike leaders at once recognized the futility of offering any resistance, and, announcing to their followers that the intended demonstration could not take place, desired them to disperse as quietly as possible. But a disappointed crowd is not so easily disposed of. Thousands of men and women, some merely curious perhaps, others sullen and defiant, remained. Finally, after waiting for some considerable time, it was decided to clear the streets. For the next hour Brisbane saw some exciting scenes, and some, it must be acknowledged on looking back, that were not without their humorous side. By repeated rushes the police drove the mob back, and scattered it beyond any possibility of re-union; but although wildly sensational stories of slaughter and bloodshed were circulated through the city during the next few days, as a matter of fact, not a single life was lost, and the casualties of any kind were surprisingly few. The police used their batons on occasion pretty freely, but the sabres of the mounted men were never drawn, nor were the rifles or bayonets at any time brought into requisition. Indeed throughout, the object of the officers of the law had been, where possible, to intimidate rather than to inflict actual bodily harm. But the mob had learnt, for the first time

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probably in the lives of the great majority, how utterly helpless mere numbers are before the attack of even a small organized and disciplined force.

For the time, law and order had re-asserted their rule. But the position was still serious. Brisbane, for its population, covers a very large area, and trouble might occur anywhere, at any moment. And a force which is quite capable of suppressing a riot, or of dispersing a disorderly mob many times its own numerical strength, is by no means necessarily equal to the task of giving effective protection to every part of a widely scattered community. It was clearly inadvisable, too, to withdraw any more men from the country districts. As already noted, the State possesses no military forces on which to call in times of emergency, but by Section 119 of the Constitution Act the Commonwealth is bound, on the request of the Government of any State, to afford protection to that State, from domestic violence no less than from foreign invasion. In the terms of this provision, therefore, on the preceding Thursday, Mr Denham had telegraphed to the Federal authorities in Melbourne, requesting the assistance of the local troops.

And now occurred a very significant incident. A Labour Administration held office in the Commonwealth Parliament and the Prime Minister, Mr Fisher, was the representative of an important Queensland constituency. As a life-long unionist, his sympathies might naturally be expected to be with his companions in Brisbane, even though he might not endorse their present action; as the chief of a constitutional executive, he was bound to uphold the laws, not only of the Commonwealth, but of each and every State. There was, therefore, some curiosity as to what course he would take. Perhaps, in the circumstances, the wisest thing to do would have been to have come to some decision, and then acted, without further remark. Mr Fisher, however, made the mistake of explaining his action. He announced to the public of Australia that he had received two communications, one from the Government of Queensland, the

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other from the Brisbane Strike Committee, the substance of both being, he said, "that they complained of each other's actions." The Prime Minister may not have intended to convey any such impression, but it is difficult to avoid the inference that, for the time being at all events, he regarded the responsible administration of the State, and the Strike Committee, as upon practically the same level, and their representations as entitled to the same consideration. However that may be, he refused the assistance asked for, alleging as his reason that he was not satisfied that affairs in Brisbane had reached such a state as to require military intervention; and emphasized his refusal by forwarding a personal donation to the strike funds.

This action met with a remarkable response. Since the head of the Federal Government saw fit to refuse to the State, in this crisis, the protection supposed to be guaranteed by the Constitution, then the citizens of the State must take what steps they could to protect themselves. They rose to the occasion, promptly and decisively. During the next two or three days, the police offices were thronged by hundreds of men and boys, of all ages and conditions, seeking to be sworn in as special constables, to uphold the State Government and the laws. Among them were to be seen many members of the military forces, officers and privates alike, to whom the Federal authorities might indeed prohibit the soldier's rifle or sword, but could not deny the citizen's right to the baton of the civil guard. On Sunday the position was still further strengthened by the news that scores of sturdy farmers and bushmen, well mounted and armed, were riding in from the country to take their place in the ranks. By Monday morning a force had assembled amply sufficient to crush any possible opposition, and to give full protection to all who might need it, in any part of the city. Brisbane breathed freely once more.

This was really the turning point of the strike. With the advent on the scene of the citizen forces, and the consequent realization that the Government could and would

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protect all who wished to follow their lawful avocations, and punish without fear or favour any person or persons who ventured to interfere with them, the authority of the Trades Hall, which had been so much in evidence, began to totter to its fall. For a while the strikers, buoyed up by hopes, the exact nature of which, perhaps, it would be difficult to define, held together. At the beginning of the trouble it had been believed, in fact, some of the leaders had gone so far as to promise that the workers of Sydney and Melbourne would join hands with their Brisbane comrades, and that there would be a general cessation of work throughout eastern Australia. But the dream was doomed to disappointment, the response to the appeal was feeble and half-hearted, while on all sides prominent Labour supporters, including both State and Federal Ministers of the Crown, joined in open denunciation of the action of the Brisbane unions. The expression of a New South Wales State Minister, "a combination of imbecility and barbarism," may be taken as a fair specimen of the language used. On February 10 a general election in South Australia, in which great interest had centered, resulted in the downfall of a Labour Administration, and the disappointed members of the party all over the Commonwealth did not hesitate to ascribe this defeat, in large measure, to the events then in progress in Queensland. An attempt was made to call out the workers in the northern and central parts of the State in sympathy, but so unpromising were the results, that it was deemed advisable to withdraw the order within a very few days. The movement, indeed, was beginning to collapse under its own weight. In spite of all the leaders could do or say, first by twos and threes, then by dozens, finally by scores and hundreds, the men drifted away. Many returned to their old employment, but in most cases on their employers' terms, which did not always mean their own, or union, terms; others, less fortunate, found their places filled, and had perforce to seek elsewhere for the work and wages they had so lightly thrown aside. Towards the

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end of the month, a faint flicker of life was put into the expiring struggle by the news that the Arbitration Court had given its decision in favour of the tramway employes' claim to wear their union badges while on duty—the original cause of all the trouble. But it quickly faded away again on the discovery that the victory was a barren one; that the judgment did not and could not provide for the reinstatement of the men who had left the company's service in consequence of the dispute, and whose places were now filled. Had they waited for the award of the court, they would have obtained all that they desired, but by their hasty action they had defeated their own ends. At last, on March 6, the inevitable end arrived, when what was left of the strike—it included now little more than the wharf labourers—was finally declared off at the Trades Hall. It had lasted just five weeks; during that time it had deprived thousands of workers of employment, had brought want and suffering to hundreds of homes, and had hung up, to all intents and purposes, the trade of a busy seaport. These were results plain to see. What then stands on the other side of the account?

II

DIRECTLY, it is fairly safe to assert, Queensland unionism has gained nothing whatever. The tramway men, it is true, won their case before the Arbitration Court,* but the strike had nothing to do with that judgment; indeed, as already pointed out, one of its results has been to deprive the winners of the fruits of their victory. Of the other unions engaged, the wharf labourers, who really did succeed in paralysing the greater part of the shipping of the port, returned to work on precisely the same terms as those in existence when they ceased, neither better nor worse. And in the meantime, they have lost so many weeks' wages. But

* An Appeal, however, against the decision is now pending before the High Court.

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in the case of nearly all the other organizations, the employers, though anxious to avoid any spirit of vindictiveness or of reprisal, took the opportunity to impose new conditions for their own protection against possible outbreaks of a similar kind in the future. Thus, the coal miners, who held out almost to the last, finally agreed to resume work under a proviso that they would not again cease without giving at least fourteen days' notice of their intention, signed by the executive officers of their union. In other trades, a similar agreement had to be signed by each individual worker, before he was permitted to return. There can be no doubt, also, that many of the unions have suffered severely as regards both their financial and numerical strength, as well as in morale, by the events of February last. From the ordinary point of view, then, the strike must be looked upon as a failure. But, if it had been a complete success, what would have been gained? Or, rather, when it was first entered upon, what did its leaders hope to gain?

Strictly speaking, only the leaders themselves could give a decisive answer to the question, and they doubtless will keep their own counsel. But some little light may perhaps be thrown upon the subject by a consideration of the general position of Trades Unionism—or the Labour Party, the two expressions mean practically the same thing—as it exists in Australia to-day. The original idea of a trades union is familiar to every one. It was an association of the workers in any particular industry or group of industries, to secure fair conditions of labour, and to uphold the rights of its members against any possible aggression on the part of their employers. Should these rights be assailed, its weapon was the crude, but often fairly effective one of a strike, but—at all events in the majority of cases—a strike confined to the particular shop or factory, or at least the particular industry, in which the trouble had arisen. Gradually, and in the face of much opposition, these associations won their way into public recognition, and became an accepted part of the social machine. Normally, this

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original idea is still the *raison d'être* of the trades unions of Australia. But if we look more closely, we will find another and a very different principle influencing, indeed governing, the whole movement. The beginning of this new force dates from some years back, when the failure of a long and hard fought strike, extending over a wide area, and the bitter disappointment thereby engendered, led to a complete reorganization of the labour army, with new methods and new aims. Instead of wasting energy upon isolated struggles between masters and men, which at best could produce comparatively restricted results, it was decided to transfer the contest to the wider field of politics. Henceforward the object should be, by the election of Labour representatives to Parliament, and all other possible means, to bring about legislation which should secure to the whole body of workers the advantages which hitherto their unions, as mere industrial units, had fought for in vain.

The scheme—a great and a worthy one—was well conceived, and its success is now matter of history. Not only do the Statute books of all the Australian States teem with social and industrial laws, owing their existence, to a very large extent, to the influence of the new power in the political world, but every Australian Parliament now includes a strong Labour Party; and Labour Governments hold office in the Commonwealth and in two out of the six States. (In a third, South Australia, the Labour Administration of Mr Verran has just been deposed.) And—which is the point now to be emphasized—practically every Trades Union is now a political club, an organized fighting force in a great electoral campaign, whose field is the whole of Australia, and whose energy never slackens from year's end to year's end.

But here the question will naturally suggest itself, how is it, if the labour unions have thus demonstrated the superiority of united political action over the old strike methods, that the latter are still resorted to, indeed, in some industries, seem to be more common than ever? The answer may be

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given, that no legislation can cover every possible cause of dispute, and that cases are bound to arise in which, if one or both parties prove obdurate, there is nothing for it but to fight it out between themselves. But there is another reason. Of late years, owing to causes which need not now be dwelt upon, the Labour Party in Australia has been gradually coming under the influence of a particular type of revolutionary Socialism. From the idea, strengthened by experience, that by political action the workers could obtain better wages and conditions, has developed the belief that through the same machinery they can bring about a new social order, in which there shall be neither employer nor employed, master nor servant, but where all should be equal, and where poverty, with all its attendant evils, should have no place. Unfortunately, this altruistic ideal has been overlaid by another. The crude economics of the common Socialistic text-books teach that all capital is wrong, all interest robbery, and that all profits made by employers are simply so much filched from the workers, who really produce all the wealth of the world. Socialism, it is contended, will restore these ill-gotten gains to their rightful owners, but in the meantime—so some teachers do not hesitate to assert—the worker is morally justified in regarding his employer as an enemy, who can have no claim on his consideration, and of whom every possible advantage should be taken, as opportunity may serve. On this reasoning, strikes should be resorted to, not necessarily where there are grievances to be redressed but where they are most likely to embarrass the employers, and force them to make concessions. “Not where you need most, but where you can gain most,” should be the rule. More recently, one section of militant Socialists has carried the idea a step further still. Strikes are to be used not as a weapon wherewith to repel some injustice, not even as a means whereby to extort some advantage, but for the open and avowed purpose of keeping the whole industrial world in a constant state of turmoil and unrest, and rendering the existing order of things

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intolerable. When the consummation is reached, then the community, in despair, will turn to the only remedy, Socialism—and the millennium will dawn.

It is not contended, of course, that this conclusion, thus definitely stated, has been arrived at, or this line of action endorsed, by any large number of the unionists of Australia. Most of them, probably, have only a more or less vague idea, that, if the Labour Party can only manage to get control of the Government, then the employers will be compelled to give them better terms, somehow or other. And no doubt many of the party leaders would emphatically repudiate any such policy as that which has just been indicated. But the spirit is certainly there. And its presence goes a long way towards explaining, not only the continuance of strikes, but also the remarkable indifference, not to say hostility, lately displayed in certain quarters towards the principle of arbitration, which so long held a prominent place in every Labour programme. To men under the influence of these ideas, the judgment of an Arbitration Court is, after all, very much the same as the result of a local strike or lock-out, it merely decides whether a certain set of workers shall or shall not be given certain advantages to which they consider themselves entitled, but which their employers refuse to allow them. Its effect is restricted, it does nothing towards advancing the Socialist cause as a whole; indeed, from some points of view it might even be conceived as retarding it, as the relief afforded by a mere palliative medicine may often divert a patient's attention from the real progress of his disease. To which must also be added, that to many of the rank and file the actual working of the courts, up to the present time, has proved a keen disappointment. Since, according to the Socialist teaching, all employers' profits are only so much unjustly taken from labour, therefore any concessions which the workers might obtain would only be getting back a part of what was really their own. Until they obtained the whole, they could never ask for too much. In other words, whenever an industrial

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dispute occurred, the men must practically always be right, and the masters wrong. The employers themselves, it is hinted, know this as well as do the workers, but self-interest and greed prevent them from acknowledging the truth, and doing justice. But if all such disputes were to be referred to a really impartial tribunal, such as the Arbitration Courts seemed to promise, then as a matter of course, in ninety-nine cases out of a hundred, the decision would be in favour of the employés' demands. Consequently, the discovery that an unbiassed judge might actually hold that capital as well as labour, had its rights, and that these rights must be upheld, came as a rude awakening. The fact that arbitration might possibly work both ways at once deprived the principle of a good deal of its attraction. "What's the use of our going to a Court if it won't give us what we want?" was openly asked. Hints, too, were not wanting that the judges, after all, were merely "the corrupt tools of the capitalist class," and the Courts themselves only another ingenious device of the employers to tie the workers' hands. The idea upon which so many hopes had been built had proved a failure; it would be better after all, to get back to the old ways.

III

WE may now return to our consideration of the Brisbane trouble. Keeping in view the teaching of a section of militant Socialists, just referred to, that strikes are to be employed not so much to resist injustice as to obtain some advantage or enforce some demand, it is quite conceivable that some of the union leaders may have reasoned that there are no conditions so good that they might not be better. And although they had just then no particular grievances against their employers, still, the circumstances seemed to offer a favourable opportunity to extort some further concessions, and generally to strengthen and improve their position. Further—and what was of far more importance than any immediate gain—such a demonstration of strength

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as a general strike would furnish, could not but act as a powerful object lesson to the capitalist classes, showing them their own complete helplessness when face to face with organized labour, and giving warning of the dire consequences, if at any future time they ventured to oppose the workers—or as Labour advocates prefer to put it—the people's will. Whether this be an impartial explanation or not, it is at any rate clear that there was an astonishing lack of judgment and foresight in provoking a conflict of such dimensions upon an issue concerning which it must have been evident that there could never be any public sympathy.

But although the movement may thus have had its industrial side, yet, on the whole, a study of the surrounding circumstances would seem to lead to the conclusion that the motives underlying it were political as well as industrial. How and where it actually originated, how far it had the sympathy or sanction of the leaders of Labour, in Parliament or out of it, throughout the Commonwealth, are questions to which the present writer does not feel qualified to venture a reply. In its later stages at least, there certainly seemed to be a widespread chorus of condemnation from prominent members of the party in the southern States, despite the apparent approval shown by the Prime Minister a short time before. In Queensland itself, the proceedings appeared to have the support of the State Labour Party as a whole. The Parliamentary leader, Mr Bowman—a man whose personal honesty and kindness of character have won him the respect of many outside the ranks of his own followers—in a speech delivered on the Sunday before the outbreak, gave the proposed action his official blessing, and referred to the occasion as “one of the most heartening” in his experience. The representative of a western constituency became the President of the Strike Committee, and other members took an active part, urging the men to “stand firm” and indicating that the whole strength of the party was behind them. Now assuming this

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to have been the fact—and the available evidence seems to point in that direction—what had labour in its political aspect in Queensland to gain by a general strike?

Let us look at the position. Although during the last few years the Australian Labour Party had succeeded in capturing not only both Houses of the Federal Parliament, but also the popular Legislatures of three out of the six States, its political horizon, at the beginning of the present year, was by no means free from clouds. Labour control of government had not brought the Socialistic millennium appreciably nearer; in fact, more than once a Labour Administration had found it necessary to resort to "capitalistic methods," so often and so fiercely denounced, to maintain law and order against certain sections of its own followers. Signs of dissatisfaction were by no means wanting. An ominous note had been sounded during the previous year, in the crushing defeat of Mr Fisher's referendum proposals of which an account has already been given in the ROUND TABLE. A general election was due in Queensland within the next few months, one of special interest, since it was the first to be held since the re-arrangement of the constituencies on the basis of practical equality of voting power. A victory secured in this State would go a long way towards regaining the lost ground, and heartening the rank and file throughout Australia for the greater contest, the Federal elections, in the following year. Matters standing thus, it is possible that some of the Brisbane Labour leaders argued to themselves that a great Labour demonstration might be of no little service to the party, in State and Commonwealth alike. To close up and encourage their own ranks, to strike confusion and dismay into those of their adversaries—what better weapon than this could have been devised for the coming fight?

But whatever the motives may have been—and lack of foresight rather than any keen political prescience was the prevailing characteristic of the strike leadership—it seems fairly certain that at the beginning there was little or no

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anticipation of anything like a prolonged struggle. Leaders and men evidently believed that it would only be necessary to make a demonstration—enough to show that they were really in earnest—and that in a very brief space of time one of two things would happen. Either the Government—which they did not credit with any very large amount of firmness or courage—would, for the sake of peace, compel Mr Badger to give way; or the general body of citizens, alarmed at the threatened paralysis of trade, would insist upon some arrangement being made to avert the impending calamity. In either case, Labour would score, not only in obtaining its immediate desire, but by calling public attention to the weakness of the existing Administration, and its own strength. But these expectations were doomed to disappointment. Mr Denham's Ministry, although at first, perhaps, slow to act, stood firm; while the citizens of Brisbane soon made it plain, that whatever might befall, they had no intention of allowing themselves to be dictated to by the Trades Hall. The strike leaders, therefore, at once found themselves faced by an awkward dilemma. Either they must recede from the position they had assumed, and submit to the humiliation of acknowledging that they had made a mistake, or they must continue an enterprise for which they had made no adequate preparation. They chose the latter alternative, which at once involved them in the thankless task of trying to make bricks without straw. As was remarked at the time, "they declared the strike first, and considered ways and means for carrying it on afterwards." And this fact, no doubt goes a long way to explain the singular lack of foresight which from first to last seemed to characterize the management of the whole business. To conduct with success a general strike is a gigantic undertaking, even when all has been properly prepared; to do so when there has been no such preparation, requires resource and ability far beyond that which at any time during the struggle was at the command of the Committee or of the Trades Hall.

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IV

HAVING thus endeavoured to trace the motives which led to the strike, we may now glance at the causes of its failure. First, we may place the lack of any adequate preparation for a lengthy campaign, to which reference has already been made. Secondly, we must note the entire absence of any great grievance, or indeed of any definite principle, to stir the men up, and make them feel that they had something really worth fighting for. Their response, indeed, to the call of their leaders showed an admirable loyalty and discipline but it is difficult to sustain any degree of enthusiasm for very long over a dispute as to whether a few hundred men shall or shall not be allowed to wear certain metal ornaments upon their watch-chains. That is not the sort of thing for which sensible workmen are usually prepared to quarrel with good employment, and see their wives and children suffer. And as soon as the first novelty of the affair had worn off, many began to realize this, and to look for some way out. A third reason was the unexpected and powerful opposition aroused by the movement in every section of the community outside the unionist organizations, and the prompt and effective rally of the citizens to the support of the constitutional government, and the defence of their own liberties. Face to face with this new and determined force which had suddenly sprung up, it might almost be said from nowhere, the dismayed strikers saw their leaders outwitted, and their fighting strength over-matched. Outside their own ranks they could look for no help, no sympathy; they stood alone. Against the depressing influence of such isolation, the most inspiring appeals from their leaders could be of little avail. But the strongest reason for the failure of the great Brisbane upheaval lies in the very nature of the thing itself. Those who engage in a general strike are in the position of men trying to cut off the branches of a tree upon which they are themselves seated; the more complete their success, the

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more assured is their own downfall. It is hardly necessary to refer to the obvious fact that in industrial troubles of the ordinary type, the men who are "out" are largely supported by those who remain at work, and consequently, when there are no longer any wage earners, the principal source of income fails, while the needs continue and increase. But over and above this, a general strike, to be in any sense effective must, first and foremost, deal with those industries which provide the actual necessities of life. The social machine can go on for a long time without luxuries, without a good many things indeed, to which it has been accustomed, but not without such essentials as food, light, and firing. Thus the strikers must be able to bring about, in effect, something resembling a state of siege. But since this must affect the whole community, or at least the greater part of it, and since there are no possible ways of discriminating between class and class the results must fall upon all, unionists and non-unionists alike. If the blockade of supplies is so complete that the employer's household must starve, those of the workers must starve also. And, as a rule, very much more quickly.

Within a few hours from the beginning of the struggle, the leaders realized that to attempt to carry out their scheme in its entirety would be to ensure immediate failure. A part must be sacrificed to save the whole. Hence the decision, already referred to, to allow certain necessary trades and industries to be carried on, provided that the tradesmen obtained formal permission from the Trades Hall, and undertook to abide by its regulations. But this arrangement, although hailed as a triumph for Labour tactics, was in reality the first step towards the final defeat. In the first place, it was a confession of failure, of inability to perform a part—and, as pointed out, an essential part—of the task the Strike Committee had set before itself and its followers. And in the second place, perhaps no action could have been taken more thoroughly calculated to arouse the effective antagonism of the whole of the rest of the community. On all sides the question was asked, Who or what then is this

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Strike Committee, that it should presume to dictate to the people of Brisbane how they shall conduct their own affairs? Thus even before the great demonstration of the citizens which followed the Prime Minister's refusal to grant the State Government's request for military aid, a spirit of indignation against the Trades Hall methods was rapidly making its influence felt everywhere, with results which have already been described. Thus, assailed by opposition from without and growing weakness from within, without resources, without enthusiasm, apparently without definite object or plan, the great strike drifted on to its inevitable end.

From an industrial point of view, then, the movement must be pronounced to have been a failure. Whether, in its political aspect, the same thing can be said with equal assurance yet remains to be seen. The Queensland general elections have been fixed for April 27, and at the time of writing there seem to be distinct indications that the position and prospects of the Labour Party have been seriously weakened by the recent happenings in Brisbane. Whether such is really the case only the event can show. Long before these lines see the light the country will have given its decision; for the present it will be wise to refrain from offering any forecast as to what that decision will be.*

But in the meantime a study of the trouble and its results, so far as we can judge them up to the present, would seem to suggest several fairly definite conclusions which may be briefly discussed. First, it appears pretty certain that the experiment of a general strike is not likely to be repeated, at least for some considerable time to come. Experience has shown that as an industrial weapon it is by no means so effective, nor so easy to employ, as before the late events it was believed to be. It is unwieldy, unreliable, and like a two-edged sword, is very apt to wound the unskilled user. Success is at best but problematical, and, even if attained, will probably be found to be attended by more than equal suffering and loss. And thus one of the

* The election has resulted in an increase of the Liberal majority from 8 to 22.—ED.

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clouds which has so long hung over the industrial world of Australia has been removed, temporarily at all events. But most striking and most inspiring of all was the demonstration of the fact that, in the last resort, the people of Queensland do not need to rely for defence against domestic violence, or even revolution, upon any military force, that they have the power, as well as the will, to defend themselves. A writer in an English review recently declared that there seems to be in Australia no desire for law or order, but the foolish gibe has been silenced, once and for all, by the events of those first weeks of February last. By the splendid rally of her citizens to the support of the Constitutional Government Queensland, and through her Australia, has once more vindicated her good name in the eyes of the world.

But all the lessons to be deduced from the strike are not so pleasing. The writer has no wish to indulge in any reflections which may seem to savour of the nature of personalities, or to assume the attitude either of a partisan or of a judge. But if a true and impartial record is to be set down, there are aspects of the question which must not be ignored. The feature which most forcibly impressed itself upon the earnest observer, was the want of consideration and foresight that from first to last seemed to characterize the proceedings of leaders and men alike. The want of judgment which ignored the ruin of the industry of a whole community, with all the loss and misery which such ruin must entail; which risked the starvation and suffering of women and children; which deprived the babies of their supply of fresh milk during the height of a Brisbane summer; which did not even spare the sick in the hospitals of the city; the unreasoning class prejudice, so surprising in a country where so small a gap really separates employer and employed; the breach of agreements, the disregard of the rights of others—all these indeed furnish food for weighty thought to those who have at heart the welfare of their fellow men. If these things are to be taken as characteristic of the whole Labour movement at the present time, they constitute a danger

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which menaces not only the future of the movement itself, but the well-being of society. How this danger is to be met is not within the province of this article to discuss. But this at least may be said. Behind the Labour Party, with its occasional folly and injustice, there lie real truths and lofty aspirations which cannot be ignored; problems which, sooner or later, society must solve or perish with the many civilizations which have gone before. We need a wider, a more national recognition of this fact; we need, all of us, more knowledge, more sympathy, more reluctance to judge or condemn those of our fellows whose views upon these questions do not tally with our own. As to the immediate and pressing difficulties of the present time, if the writer may be allowed to make a suggestion, one way of relief seems to lie along lines which are not altogether unfamiliar, but which in Australia seem of late to have fallen into disrepute—cooperation and arbitration. The leader, of whatever party, who succeeds in drawing public interest back to these two principles will do well. And last, and most important of all, the great need of the age is that the coming generation, of every class and creed, should receive a real education, both intellectual and moral, in the things which belong to a true civil and national life. Intellectual, that they may discern and avoid the half-truths, the mis-conceptions, and the follies which in this instance have led the world of labour so far astray; moral, that they may understand that others besides themselves have rights, equally worthy of recognition and respect with their own; that the highest of ends can never justify the use of unjust means; and that even the industrial kingdom of heaven can never be gained by violence alone. If the experience through which we have just passed has helped us, if ever so little, to a better realization of these truths, if it has brought this ideal one step nearer, then we may say without fear, that for all its loss and suffering that experience has not been in vain.

Brisbane. March, 1912.

UNITED KINGDOM

I. THE POLITICAL SITUATION

THE difficulty upon the present occasion in dealing with United Kingdom affairs is the great number and importance of the subjects which present themselves for consideration. The quarter which has just ended has been full to overflowing—so full indeed that we find ourselves somewhat dazed in consequence. If we had to sum up the situation in a phrase we should say that during this period nearly every party has lost ground. Mathematically, of course, the thing is impossible, for in public life all values are relative. The downs of the “ins” are the ups of the “outs.” But almost everywhere there is a loss of confidence; and this is probably due to a dawning consciousness that almost everywhere there is a lack of leadership. We see crowds hurrying in various directions—Liberal crowds, and Tory crowds, and Irish and Labour crowds: but especially Labour crowds—apparently without any clear idea of where they are hurrying to; and in almost every instance the supposed leaders are being held up under their elbows, and hustled and bustled along by followers who have taken things into their own hands, and who are acting, not upon any settled plan, but upon emotional impulses as sudden as they are erratic.

Judging by the by-elections which have taken place since we last wrote, the Government would appear to have lost ground heavily in the country. Of this the unpopularity—temporary or otherwise—of the Insurance Bill has been the chief cause. Recently, however, there has been a lull in crucial by-elections from which morals can be drawn with any safety. The introduction of the Home Rule Bill appears to have united the Unionists of all shades of opinion.

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The old-fashioned Unionists oppose it because it is against their principles. Federal Unionists oppose it with an equal vigour, because, in their opinion, it would make Federation impossible, and would lead inevitably to the grant of full colonial autonomy to Ireland. It is therefore probably true to say that over the introduction of the Home Rule Bill the Unionists have gained a certain advantage. But if the Government has lost, it is probable that their loss will not be reflected in the division lists, for the reason that where they have lost is among the steady-going Liberals, the most docile and the least rebellious section of their followers. They will probably retain the full support of their extreme supporters, of the Labour Party, and of the Irish Nationalists—those who are led by Mr O'Brien, as well as those who follow Mr Redmond.

The old-fashioned Liberal does not like the financial clauses, so far as he understands them, and, of course, he dislikes them in so far as he does *not* understand them (by far the greater part); for every one hates to be puzzled. He also dislikes exceedingly the idea of setting up a barrier of custom-houses between Great Britain and Ireland, for he is a free trader of unalterable orthodoxy. Nor does he altogether share the sanguine anticipations of ministers that the proposed grant of self-government to Ireland will lead to any kind of federal devolution in other parts of the United Kingdom. But perhaps most of all he is disturbed by the unbending attitude of the Protestant community which is predominant in North-east Ulster, and which says, firmly, that nothing will induce it to accept a separate partnership with the Nationalists of the south and west of Ireland. The old-fashioned Liberal does not like the prospect of having to apply force to Ulster, nor is he perhaps entirely without sympathy for the reasons which Ulster gives for its refusal—that it is as much a “nation,” by contrast with the other inhabitants of Ireland, as the other inhabitants of Ireland are a “nation” by contrast with Great Britain; that under the Constitution which is

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proposed Ulster would assuredly be in a minority of one to four, or thereabouts, in the Irish Parliament, and as a consequence would be entirely unrepresented in the Irish Executive Government, which is an even more serious consideration. What may transpire during the ensuing months when the measure comes to be debated at Westminster and discussed in the country, it is, of course, impossible to say, and therefore pure waste of time to consider here. For the moment, therefore, it has been thought wise not to follow the fortunes of the preliminary skirmishes in Parliament, but to attempt, instead, an analysis of the constitutional machinery which it is proposed to set up, and to consider to what extent the new system may affect the organization of the Empire. This forms the subject of a separate article.

The Bill which has been introduced for the Disestablishment and Disendowment of the Church of England in the Principality of Wales, though conceivably it may have an important influence upon the position of the Government, and though undoubtedly it will excite the feelings of Englishmen and Welshmen to a high pitch, is not a matter which has any direct bearing upon the general interests of the Empire. It is not, therefore, proposed to discuss its provisions in these pages.

The strikes, and the general spirit of unrest in the labour world of which they are the expression, are by far the most important question of *domestic* interest at the present time, and we shall therefore attempt to deal with this matter here at considerable length. The naval policy, under the vigorous administration of the new First Lord (Mr Churchill), is by far the most important question of *Imperial* interest.

II. MR CHURCHILL'S NAVAL POLICY

MR CHURCHILL has been known ever since he entered politics not less for his courage, than for his exceptional energy and resourcefulness. His vision is penetrating and, at the same time, it takes in the whole situation. He sees "far and wide." No man in England in the present generation has had such a rapid success, or has been so much hated. To some extent the second is a consequence of the first. But it must also be set down for a universal rule in politics that the convert is never popular with either party, no matter whether his conversion is justified upon the ground of conviction or not; and, further, that when he happens to reap an immediate reward for his conversion (as in this case), so his good fortune is certain to bring him more odium than if he had practised, for a time, the conventionalities of abnegation. Mr Churchill is not popular even now with either party, neither with Liberals nor Unionists; neither with Irishmen nor with the Labour party. Popularity is a somewhat dangerous possession, especially in the case of a young man, with whom it is usually the result of manners rather than of capacity—of the way of doing things rather than of the quality of the things done. Mr Churchill will be wise if he leaves his popularity to take care of itself; it may then suddenly come to him in an overflowing measure—as it did to Mr Chamberlain—when his deeds justify it. For the moment he is better without it, for it rarely goes with authority. Mr Asquith is popular with his own followers, but he lacks authority. Mr Lloyd George is even more popular, and he is pugnacious into the bargain, but he also lacks authority. Mr Churchill, almost alone in politics at the present time, possesses this quality, and for the purpose of leading men it is worth all the others put together.

Mr Churchill's advent at the Admiralty was hailed with satisfaction in all quarters. He had "a good press." Possibly he took some pains, being a practical man, to secure

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that it should be so. The public felt that the Admiralty needed some one of great personal force at the head of it, and they believed Mr Churchill to be the stuff of which strong administrators are made. His course since November last, when he took command, has certainly not belied the popular anticipation.

His administration has been remarkable up to the present for its vigour and intelligence. He has acted swiftly, but as is generally thought, also with sound judgment in matters affecting the organization of his department. His arrangements have been approved in most quarters, and have been condemned in none. Into this aspect of his work, however, it is not intended to enter here, but only into the two main features of his policy—our relations with Germany, and our relations with the Dominions.

When Sir Henry Campbell-Bannerman came into office in the autumn of 1905 almost his first concern was to improve our relations with Germany. He was a genuine hater of discord, a genuine believer in the efficacy of peaceful persuasion. No serious person ever doubted his sincerity, though many doubted his wisdom. No one now doubts the complete failure of his policy as applied to Germany. Sir Henry boldly reduced the ship-building programme which he had inherited from his predecessors, hoping thereby to soothe the suspicions of Germany, and to induce her to desist from a ruinous competition in naval armaments. The results of this endeavour cannot be more tersely given than in Mr Churchill's own words.*

“ He built three ships in the year 1905-6, three ships in 1906-7, only two in 1907-8, and only two in the year 1908-9. The next strongest naval Power, according to their original programme, should have built two ships in each of those two years, and one would have thought that with this invitation, not by words or precepts, but by a great act of restraint, some slackening,

* Naval Estimates Debate, March 20, 1912. *Hansard*, vol. 35, No. 26, col. 1944.

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or, at any rate, no increase, would have occurred, but their rate of building rose first from two ships to three and then from three to four. So every year, while we were building two ships, the next strongest naval Power began the construction of four vessels, which is the two keels to one standard from the other side of the picture."

This was the reply of the German Empire to a well-meant but ill-judged endeavour. The next stage in the history of the naval competition between Britain and Germany was the awakening of the Government and the country, in the winter of 1908-1909, to the fact that we were in danger of being caught up in the race, that our supremacy at sea—the condition of our national existence—was threatened at no distant date unless this policy of pacificism was abandoned forthwith. It *was* abandoned forthwith, and the race began again, and has continued ever since, with renewed vigour. Of this we were all aware, but what was lacking was any clear pronouncement of policy. Was there any settled scheme? Were we still hopeful of some peaceful arrangement with Germany? Was there to be a continuation of friendly representations to Berlin, periodically interrupted by a national panic and a spasmodic increase in our naval programme? On the one hand we did not wish to stir up the suspicions, or wound the pride, of Germany unnecessarily; but, on the other, we were determined to preserve a full margin of safety against all contingencies—perhaps in view of what had happened an even fuller margin than ever before.

Mr Churchill took as bold a course as Sir Henry Campbell-Bannerman; but it was in the opposite direction. It may possibly be attended by complete success, but it cannot come to failure, for at least it provides the nation with security. Mr Churchill outlined the new policy in a speech at Glasgow in February last. A naval programme based on a loan was, in his opinion, out of the question: we must continue to pay our way as we go, and no country could

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so well afford to do so as ourselves. His policy is best given in his own words:

“As naval competition becomes more acute we shall have not only to increase the number of ships we build, but the ratio which our naval strength will have to bear to other great naval Powers, so that our margin of superiority will become larger, and not smaller, as the strain grows greater. Thus we shall make it clear that other naval Powers, instead of overtaking us by additional efforts, will only be more out-distanced in consequence of the measures which we ourselves shall take.”

If Mr Churchill made this part of his meaning clear he was equally explicit upon the other side. No nation more readily than Britain would welcome and reciprocate any slackening in naval rivalry. Meanwhile all steps would be taken to secure the safety of the country. To Britain naval power involves her existence; to Germany it means expansion. To us it is an absolute necessity.

In the debates upon the Naval Estimates Mr Churchill amplified and explained, in much greater detail, the policy which he had thus outlined at Glasgow, but he altered nothing and withdrew nothing. With regard to Germany nothing could exceed the courtesy of his statement except its frankness. He avoided with equal skill both ambiguity and any appearance of brutality. It was the language best suited, but also the most rarely employed, in diplomacy overt—the simple language of a gentleman:*

“I propose, with the permission of the House, to lay bare to them this afternoon, with perfect openness, the naval situation. It is necessary to do so mainly with reference to one Power. I regret that necessity, but nothing is to be gained by using indirect modes of expression. On the contrary, the Germans are a people of robust minds, whose strong and masculine sense and high courage does not recoil from, and is not offended

* Naval Estimates Debate, March 18, 1912. *Hansard*, vol. 35, No. 24, col. 1542-3, 1547-8.

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by, plain and blunt statements of fact, if expressed with courtesy and sincerity. Anyhow, I must discharge my duty to the House and the country. The time has come when both nations ought to understand, without ill-temper or disguise, what will be the conditions under which naval competition will be carried on during the next few years."

“Applying the standard which I have outlined to the existing German navy law without any addition . . . and guarding ourselves very carefully against developments in other countries which cannot now be foreseen, it would appear to be necessary to construct for the next six years four ships and three ships in alternate years, beginning this year with four. That is a little above the 60 per cent standard . . . and that is what we have had in our minds when we framed the Estimates which are now presented to the House of Commons. If we are now, as it would seem, and as I fear it is certain to be, confronted with an addition of two ships to German construction in the next six years—two ‘Dreadnoughts’ . . . we should propose to meet that addition upon a higher ratio of superiority by laying down four ships in the same period, spreading them, however, conveniently over the six years so as to secure the greatest convenience in our finance. If, of course, we were confronted with three ships additional we should lay down six.”

“Let me make clear, however, that any retardation or reduction in German construction will, within certain limits, be promptly followed here, as soon as it is apparent, by large and fully-proportioned reductions. For instance, if Germany elected to drop out any one, or even any two, of these annual quotas, and to put her money into her pocket for the enjoyment of her people and the development of her own prosperity, we will at once, in the absence of any dangerous development elsewhere not now foreseen, blot out our corresponding quota, and the slowing down by Germany will be accompanied naturally on our larger scale by us. Of

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course, both Great Britain and Germany have to consider, among other things, the building of other Powers, though the lead of both these countries is at present very considerable over any other Power besides each other. Take, as an instance of this proposition which I am putting forward for general consideration, the year 1913. In that year, as I apprehend, Germany will build three capital ships, and it will be necessary for us to build five in consequence. Supposing we were both to take a holiday for that year; supposing we both introduced a blank page in the book of misunderstanding; supposing that Germany were to build no ships in that year, she would save herself between £6,000,000 and £7,000,000 sterling. But that is not all. We should not in ordinary circumstances begin our ships until she has started hers. The three ships that she did not build would therefore automatically wipe out no fewer than five British potential super 'Dreadnoughts,' and that is more than I expect them to hope to do in a brilliant naval action. As to the indirect results, even from a single year, they simply cannot be measured, not only between our two great brother nations, but to all the world. They are results immeasurable in their hope and brightness. *This, then, is the position which we take up, that the Germans will be no gainers, so far as naval power is concerned, over us, by any increases they may make, and no losers for the basis I have laid down by any diminution.* Here, then, is a perfectly plain and simple plan of arrangement whereby, without diplomatic negotiation, without any bargaining, without the slightest restriction upon the sovereign freedom of either Power, this keen and costly naval rivalry can be at any time abated. It is better, I am sure, to put it quite frankly, for the Parliaments and peoples to judge for themselves."

Thus was the position in which we now stand made clearer, and the naval policy by which this nation intends to guide its course during the next few years, laid down with an unmistakable precision. As regards Germany the natural consequence followed—the *natural* consequence

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being in this case, as in many others, unforeseen either by the newspapers, or by their client, the man-in-the-street. It was expected that German public opinion would fly into a violent paroxysm. But Germany, upon the whole, took the statement in good part. The outburst of rage and suspicion which has followed time and again upon more hesitating utterances, more friendly protestations, was not entirely absent upon this occasion, but it was confined within much narrower limits and was indulged in much less influential quarters. That German public opinion was pleased was not to be expected; but at all events she knew where she stood. There was no obscurity for ingenious suspicion to feed on. We may hope that in this case, as in others, the event will prove that the best foundation for agreement is respect.

The second point of capital importance in Mr Churchill's conduct of affairs is of special interest to readers of the ROUND TABLE. The relations which ought to exist between the Mother Country and the Dominions with regard to naval policy, have never yet been placed in a clear light. They have remained in obscurity and confusion, owing greatly, no doubt, to genuine differences of view, but owing much more to lack of information upon essentials—in the Dominions as to the real needs and requirements of Naval strategy—in the Mother Country as to the intentions and resources of the Dominions. Obviously a clear policy is desirable, and obviously no clear policy can be adopted until more light is thrown upon the situation, both at home and overseas than we have had hitherto. For lack of such knowledge there has been, up to the present, a greater confusion in this than in almost any other branch of our inter-Imperial relations.

This subject was touched upon by various speakers both on the first and on the second night of the Naval debates. Mr Norton Griffiths drew attention to a statement which has been attributed to Mr Bourassa, that Canada

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must demand an "adequate proportion of authority and effective control in the event of the people of Canada deciding to co-operate cordially in defence of the Empire." Would the British Government accept co-operation upon these terms? Was it likely that such "cordial co-operation" would be offered, having regard to Sir Wilfrid Laurier's former and well-remembered statement that "it is not desirable for Canada to mix in the armaments of the Empire, and Canada will only take part if they think fit?" These and a variety of other questions of a similar character were pressed by Sir Gilbert Parker and Mr Croft.

Mr Churchill in his reply very wisely avoided any attempt to lay down a policy, and carefully abstained from dogmatism as to the reciprocal duties of the Dominions and the Mother Country. It is clear that, in his view, mutual enlightenment must precede any definite understanding or agreement.*

"It is not for the British Admiralty to initiate any proposals to the self-governing Dominions, but if they come to us and ask us for our guidance, and if they wish to be placed in contact with the accumulation of expert naval knowledge—which is considerably greater in this country than anywhere else in the world—we shall receive them with the utmost cordiality, and shall do our very best to help them to come to a wise decision, convenient, and agreeable to themselves, and also of sound military value, based on the true principles of national and Imperial defence. They may be quite sure that we shall place the facts of naval policy before them with absolute frankness, that we shall not in any circumstances try to treat them as if their proposals were not regarded as grave and serious contributions to the resources of the Empire. I was also struck by the reference which the hon. gentleman made to some means of associating the Ministers of the self-governing Dominions with the consultations upon Imperial defence which proceed in this country. The subject is not free

* Naval Estimates Debate, March 20, 1912. *Hansard*, vol. 35, No. 26, col. 1936.

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from difficulty, but as time passes it becomes, I think, less encumbered by difficulty. I purposely use indefinite language, but there can be no doubt that in the Imperial Defence Committee we have a machinery most flexible and comprehensive, which may well be found capable—at any rate in the intermediate stage of the relations between the Mother Country and the Dominion—of establishing that real and intimate connexion which ought to exist in matters of Imperial defence between the responsible leaders of the Government, and of opinion in the great Dominions, and those who are concerned with the defence of the Empire here at home. Any advance in that direction would certainly be facilitated by the Government and by the Admiralty.”

The *potential* importance of this statement can hardly be over-estimated. It is neither more nor less than an invitation cordially given on behalf of His Majesty's Government, and with the concurrence of the high officials of the Admiralty, to the Dominions to consider the desirability of being represented upon the Imperial Defence Committee. This is what it appears to be even in the prosaic pages of Hansard; but it is really a great deal more, and this ought to be widely understood. Mr Churchill spoke not merely for the Liberal Government and its supporters, but for both the great parties—indeed for all the parties—in the State. His words convey a national invitation. They are not the mere manœuvre of a partisan. The feeling of the whole country is behind them.

We began this article by a general statement that, during the past few months, everybody seemed rather to have lost ground than gained it. It is possible that Mr Churchill is the exception which proves this rule. For it is certain that he has gained to a very considerable degree the confidence of his opponents and of the country; and hitherto he has possessed the confidence of neither. Capacity alone would not have won him this signal advantage. His capacity has been readily enough acknowledged for a long time past,

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and in spite of it he has remained an object of distrust. What has made the difference is that for the past six months he has, for the first time, been the spokesman of the nation, and not merely the advocate of a party. Doubtless the particular office which he fills offers him a golden opportunity; but opportunities lie around the creeping politicians upon all sides if only they could see, and dared to take them; it requires the instinct of statesmanship to clutch them firmly when they come within reach. There have been many First Lords of the Admiralty before Mr Churchill, as there were many Colonial Secretaries before Mr Chamberlain. No man has ever made a really great figure in British politics until the day when he spoke for the nation; and it is a long time now since anyone spoke for the nation. Mr Chamberlain was the last of a long line. What interests men now is to see whether Mr Churchill will revert to the old tradition.

III. THE COAL STRIKE

THE most stirring, perhaps the most important, event of the present year has been the complete cessation of the coal-mining industry of Great Britain during a period of nearly six weeks. For ten years preparations had been made for this industrial war; in October, 1911, war was threatened; in December war appeared probable; in January, 1912, an ultimatum was issued to the masters with six weeks' grace for reflection, and towards the end of February war began. On March 1 the mines were empty; only a few days before Easter (April 7) they began to fill again. Now industry is resuming its normal course and we may endeavour to read the lessons of the most extensive industrial conflict of this or any age. Whether we shall, as a nation, turn this experience to any useful account seems doubtful. Men are already beginning to forget that there was a coal strike; they turn uneasily in their sleep when they hear of fresh discontent among the railway-workers; but we are far as yet

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from that frame of mind which leads to resolute and intrepid measures of self-defence. It is not likely that this strike will be the last, the greatest, or the most disastrous.

The coal strike is only one of the symptoms of a great movement, conspicuous in this country and in France above all, but also visible in the other great industrial countries of the old and new worlds. The working classes are discontented with their lot; they believe that it is possible by some action or other to improve it; they believe that they have the power to take or dictate some measure to better it; they try one expedient after another and each time they remain dissatisfied with the result. Disheartened, they may relapse into apathy for a while, but then the hot fit seizes them again: "Something must be done; this time it shall be the right thing."

The months of June to September last year were made uneasy by a series of strikes in the various transport industries. Beginning with the seamen's strike in June, the movement extended itself to dock labourers, carters, and finally to the railway men; it culminated in the railway strike of August in Great Britain, and reached an impotent conclusion in the abortive railway strike of Ireland in September. In all these operations there was a common inspiration, but action was not completely co-ordinated. Yet the nation was made to feel its dependence on the manual workers who conduct by one means or another the transport of goods. In Liverpool the strike led to a lock-out of the dock labourers, and then to a general strike of all the transport workers of the district. For a time the position in this great city was very grave. It is estimated that five hundred children died from defective supplies and suspension of sanitary cleansing. At the end of 1911, when the trouble had subsided, there was a lock-out of cotton operatives in north and north-east Lancashire, owing to a refusal to work with non-unionists.

The figures of the Board of Trade Report for 1911 show very clearly the extent of the unrest, and its steady progress.

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In the twelve years, 1896-1907, there were 248 cases in which action was taken under the Conciliation Act of 1896, of which 126 resulted in a cessation of work. In the four years, 1908-11, action was taken in 276 cases, of which 132 involved a strike or lock-out. In 1911 alone there were 57 strikes or lock-outs. The mediation of the Board of Trade officials under the Conciliation Act has probably diminished the duration of many strikes, and it has no doubt prevented some; but the figures of the last four years prove increasing unrest among the industrial classes, which has reached a climax in the universal strike of coal-miners.

It is not necessary to look far for the reasons of the discontent, though it is not due to distress among the classes principally affected. The miners themselves are among the more fortunate of the workers. They have employment which is very nearly as regular as they choose to make it. They have wages which are high in comparison with the majority of manual workers, and in relation to the standard of life in their class and in this country. They have short hours, and they can take a day's holiday whenever they feel inclined. In most districts and under most circumstances, they can earn a sufficient livelihood though they may only work four days and a half in the week. But their work is laborious and stimulated by the piece-work system. They work under ground in conditions of great discomfort and sometimes of great danger. They have their full share, not only of the material goods of life, but also of the hardships of life. The outlook upon the world from a mining village is narrow, but it is not so narrow but that the miners can see the manifest inequalities and inequities of fate. They do not look on such things as inevitable; they have been taught that they can be changed; and they wish to change them.

Their comparative well-being makes room for discontent. It is a commonplace of history that improved conditions foster revolutionary impulses. The peasants of France rebelled, not because they were worse off than they had been, but because they were more prosperous. If a man is so poor

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that he dare not risk, even for a moment, his means of livelihood, he cannot have the courage, the surplus energy, the physical resources necessary for rebellion. The miners have all of these.

Much attention has been called to the fall in the purchasing power of money due to recent depreciation of gold. It is probably true that the same wages will now purchase less of the necessaries and even of the comforts of life than ten years ago. But the miners' wages have been regulated on the sliding scales by the price of coals. Changes in the standard of value may account, to some extent, for general discontent in the working classes, which affects sympathetically the miners through their strong class consciousness, but such fluctuations cannot have seriously diminished the real earnings of the miners.

Education undoubtedly fosters discontent, whether for good or evil. It makes men more accessible to the written and the spoken word. And the miners have been supplied with plenty of food for thought. The politicians have been at them for twenty-seven years to catch their votes. The trade unionists have been after them for longer still to persuade them to combine and force concessions from the masters. Then came the Socialists to teach them that all social injustice was remediable, either by State action or, in the last resort, by force. And, last of all, we have the Syndicalists, a school originating in France, whose aims deserve some special explanation.

Syndicat de travail is the French name for a trade union. Thus Syndicalism is the equivalent, word for word, of Trade Unionism. But in English Trade Unionism has a time-honoured meaning, and to indicate the new school we must borrow the French word. The aim of Syndicalism is to bring all the resources of the combined and organized labour in any trade to bear upon the capital engaged in the trade so as to harass and tire out the owners, till they are forced to resign all their share of the profits to the workers. If the miners adopted the programme of Syndicalism they

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would pursue their hostilities against the coal-owners until these gave up the mines and left the miners to do what they pleased with the machinery and the coal. Then the mines would be worked for the exclusive benefit of the miners, who would hold an oppressive monopoly as against the nation, which lives by coal. In France "direct action," that is, personal violence, is one of the recognized weapons of Syndicalism; destruction of machinery is another; wilful neglect of duty, another. The comparative absence of these more openly criminal practices during this strike proves that the miners, as a body, have not adopted the full programme of Syndicalists. But the miners' strike was of the nature of a general strike; for, by stopping the production of a necessary of transport, industry, and daily life, the miners made war upon the whole community in the interests of their own trade; and a general strike is one of the expedients advocated by Syndicalists.

That Syndicalist teaching has been at work during the preparations for this strike is undoubted. A pamphlet, entitled *The Miners' Next Step*, was published in Cardiff and afterwards suppressed—in fear, perhaps, of its effect upon public opinion—which advocated a full programme of Syndicalist operations for the mines, including the expedient of the irritation strike, by which all workers were to co-operate in slackness, inefficiency, covert insubordination, until the mine or mines ceased to return a profit, or pay expenses. Unless some way be found to remedy grievances on the one hand, and restore discipline and good-feeling on the other, we may look for an advance upon these lines, at least among certain sections in certain industries.

Democracy has also had its share in fostering discontent. The voters are aware that, in theory at least, they possess the supreme political power. They are courted for their votes and all politicians alike profess a sedulous concern for the interests of the voters. The miners themselves are said to control the election of sixty-five members of Parliament. With these members holding seats at their mercy, and the

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support of the Labour members not elected by mining constituencies, they naturally expect from Parliament some direct and material boons. The results have not equalled their expectations. But the democratic doctrine seems to justify their claims. The miners are many, and the masters are few. That the rest of the community, whose interests are also at stake, is more numerous still, is a reflection which is not, perhaps, very obvious. Moreover, they rely on class feeling throughout the nation, in which perhaps they are right. Finally, authority has been weakened on every side; and class authority, in particular, is resented and suspected.

Legislation has also had its effect in forming this situation. The Taff Vale decision of the House of Lords in 1901 for the first time made it clear that trade unions were not altogether and entirely irresponsible. The union funds were shown to be liable for legal wrongs committed by the trade union officials. But the Trades Dispute Act of 1906 swept away this safeguard, and established a novel jurisprudence for trade disputes. No trade union could thenceforward be sued for any legal wrong committed in furtherance of a trade dispute. The employers' associations were placed in a like position of irresponsibility. "Peaceful" picketing was made lawful, without any restriction of numbers, whether at the place of working or at the residence of any recalcitrant person. So far as the wording of the Act goes it may be said that intimidation was made lawful, for a crowd intimidates, even though it may not resort to violence. Moreover, any act which one person could lawfully commit could be lawfully committed by any number of persons in concert, if committed in furtherance of a trade dispute.

In this strike this law does not seem to have had any direct effect. It was not intended that any legal contracts should be broken; no legal wrongs were committed by any trade union. The unanimity of the miners was such that "peaceful" picketing was hardly necessary. Yet the position of the

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trade unions outside the law cannot have been without its moral result. And wherever intimidation was needed it was not spared.

Further, the Eight Hours Act for Miners, passed in 1908, had an undoubted influence in increasing discontent. By this law no miner could be employed, in any one day, for more than eight hours, taken from the time when he entered the pit to the time when he emerged. This law was promoted by the leaders of the men, but it caused great hardships. Men who had been accustomed to work more than eight hours, found that they received less money. In some coal-fields a three-shift system was instituted to reduce the consequent expense of working the mines. Apart from the inconvenience of night work, domestic arrangements were upset, and the women were annoyed. If a man had two sons living at home and they were all on different shifts, the situation became intolerable.

The spread and development of the system of joint stock companies has also had its share in stimulating discontent. In place of a master who is also the owner, human and accessible, the workers find themselves confronted with officials, who are under the orders of a board of directors who are responsible in their turn to shareholders whom nobody knows or sees. The mitigating influence of human relations and human affections is absent.

The existence of this general and particular discontent has had its effect upon the leaders of the trade union movement. In the past the influence of the leaders has been largely exercised to restrain the ardour of their followers. But the authority of the more moderate and experienced leaders has lately been waning. They have felt the pressure from below, they have to fear the rivalry of more fiery and impetuous exponents of trade union policy. Extreme men, like Mr Vernon Hartshorn and Mr C. B. Stanton among the Welsh miners, have come to the front. The officials have felt that a prudent and cautious policy would not command obedience among their followers. Compacts entered into

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by the responsible executive have been disregarded by the men. A forward policy has been imposed upon the trade union directorate by the prevailing spirit of the mass.

Such were the conditions predisposing to the great industrial conflict through which we have just passed. The organization that rendered unanimous action possible is the federation of all the Unions of coal miners in Great Britain. The organization of mining labour was at first by districts. By degrees larger units were built up until the Miners' Federation of Great Britain was established. The policy of this Federation was at first defensive, as is shown by its principal rule, which ran as follows:

“That when any federation or district is attacked on the general wages question all members connected with the Society shall tender notice to terminate their contracts if approved by a conference called to consider the advisability of such joint action being taken.”

But in 1910 a dispute arose in South Wales over the price of getting coal in a single seam of a single pit of the Cambrian Combine, employing 12,000 men. On this dispute all the men of the Cambrian Combine came out. The Federation of South Wales appealed to the Federation of Great Britain, which declined to authorize a general strike on this question. A subsidy was paid for a time and then stopped; with the result that after eleven months the men of the Cambrian Combine were forced to return to work on terms which they could have had after one month.

South Wales is probably the most extreme of all the districts of Great Britain, and, embittered by this failure, the leaders of the miners of South Wales set to work to obtain an alteration of the rule quoted above, so as to make it available for offensive action. They succeeded in their object and the rule now runs:

“That, whenever any federation or district is attacked on the wages question, on the conditions of labour, or,

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with the approval of a conference specially called for that purpose, has tendered notices to improve the conditions of labour or to obtain an advance in wages, a conference shall be called to consider the advisability of joint action being taken."

This rule was adopted in October last, and a campaign was at once begun to secure a minimum wage for underground men in each district. The hewer or coal-getter's position is this. He is paid so much for every ton of coal that he gets from the seam, with the result that when conditions are favourable he will earn for his day's work a considerable sum. But when the coal is very hard, or when it is mixed with dirt and stone, or when a great deal of propping is required, his earnings will fall and may even for a time almost disappear. Such places are known as abnormal places, and the mine owners are generally agreed that compensation is due to the miner who is working in an abnormal place. But the getting of coal may also be impeded by defective haulage, by gas or water, the absence of tubs, and by other accidents. Further, the industry and skill of workers varies much; and it is impossible to supervise the work of the coal-getter. Thus the proposal that the Miners' Federation now put forward for a minimum wage for coal-getters presented great difficulties from the administrative point of view. In some parts of the country, notably in South Wales, Scotland, Northumberland, and Durham, the owners resisted the proposals with determination. In Yorkshire and the Midland Counties of England, the owners were more inclined to compromise, though difficulties arose about the guarantees and safeguards which they required against slackness on the part of individual workmen.

In South Wales and Scotland there was a further difficulty. In both of these districts solemn agreements had been entered into between the miners' organizations and the owners on the question of wages, which had still two or three years to run. The owners not unnaturally protested against the new claims that were being put forward. But the

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Miners' Federation paid no attention to these protests, and the obdurate attitude of the owners in South Wales and Scotland is largely justified by their position under these agreements. The value of collective bargaining disappears if agreements concluded in due form are not maintained.

The Miners' Federation held out for a universal schedule of minimum wages, which ranged from 4s. 11d. a day in the Bristol and Somerset district, to 7s. 6d. in Yorkshire. Except for the Bristol and Somerset district a minimum wage of 5s. for men other than hewers working underground was also demanded, and a minimum wage of 2s. for boys. Negotiations went on until December 21, when the Miners' Conference determined to ballot their members on the following question: "Are you in favour of giving notice to establish the principle of a minimum wage for every man and boy working underground in the mines of Great Britain?" The ballot was to take place on January 10, 11, and 12, and a two-thirds majority was required for action. The miners polled by four to one in favour of giving notices, and on January 19 the National Conference of Miners unanimously decided that notices should be tendered to terminate on February 29.

Negotiations still went on, but on February 7 it became clear that a general settlement was impossible, and the Miners' Federation had no desire to come to terms with individual districts or owners. Then the Government took action. The new Industrial Council, of which Sir George Askwith, of the Board of Trade, is chairman, met on February 14, and considered the situation. On February 22 the Prime Minister met the representatives of the owners and the men, and after several days' deliberation announced that the Government were in favour of a minimum wage for miners, and were prepared, if necessary, to introduce legislation on the subject, leaving the sum to be fixed by conciliation boards in the various districts, each with an independent chairman. To this conclusion the Employers' Federation, which covers Central England, Yorkshire and Lancashire,

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gave in their adhesion; and with reluctance Northumberland and Durham concurred. But Scotland and South Wales held out; the owners of South Wales declared that they would submit to the authority of Parliament, but would not voluntarily depart from the terms of their compact.

Meanwhile the strike had begun on February 26, somewhat prematurely, and by March 1 it was complete and universal. There was no general war-chest for the Federation. Each district stood upon its own legs, and this was an inevitable source of weakness. South Wales had spent almost all its money on the Cambrian Combine dispute. North Wales was even worse off: while Derbyshire had funds sufficient (on paper) to pay £8 in strike pay to every man. 830,000 men employed underground were idle, and 190,000 surfacemen were for the most part out of work, though pumping and other operations necessary for the safety of the mines were continued. The effect of the strike upon other industries was soon felt. The railway companies, with the single exception of the Great Eastern, cut down their service. The iron and steel workers were thrown out of work at once. The textile industries of the West Riding were greatly hampered. The tinplate industry was suspended. 60,000 potters in the great pottery centre of Stoke-upon-Trent were out of work and destitute. Before the strike was over it was reckoned that a million persons were idle besides the miners.

Before legislation was introduced it was necessary to narrow down the differences. In spite of the agreements the Government were prepared to impose the principle of a minimum wage on South Wales and Scotland. But they were not prepared to force upon owners the schedule of wages proposed by the Miners' Federation. Negotiations began again on March 7 and continued until March 15, when they were suspended. On March 19 the Coal Mines Minimum Wage Bill was introduced. Its progress was interrupted by further negotiations necessary to ensure that the Bill, if passed, would be accepted. The miners made a last effort to

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get the minimum wage of 5s. for all men and 2s. for all boys employed underground included in the Bill, but the Government stood firm on this point, and on March 29 the Bill received the Royal Assent.

The men had by this time been out of work for more than four weeks, in some cases for five, and in several districts strike funds were totally exhausted. A ballot was taken and a small majority appeared to be still in favour of continuing the fight. But the majority consisted of less than one-third of those entitled to vote. Even before the results of the ballot were announced many mines had been opened. The strike was declared at an end, and work was generally resumed as soon as circumstances allowed. On April 12 the price of coal in London was reduced from 45s. a ton to 35s. Riots took place in Lancashire on April 11, but soon subsided. The enginemen in South Wales still held out for claims of their own; but the South Wales miners were now as eager to return to work as they had been to leave it; and they determined not to make common cause with the engine-men.

The Coal Mines Minimum Wage Act recognizes the principle of a minimum wage for underground workers. The wages for hewers, men paid by the day, and boys, have to be fixed for the several districts, twenty-two in number, by boards consisting of equal numbers of representatives of masters and men, with an independent chairman having a casting vote. Safeguards are to be formulated for the regularity and efficiency of the work, and special provision is to be made for the aged or infirm. The man can recover by ordinary legal process the minimum wage set up if he does not receive it; but no attempt is made to prevent a strike against the rates of wages fixed by the district boards. A mine-owner is not forced to open his mine, but if he does open it he must pay the statutory minimums fixed for his district.

Granting two things, that in the circumstances the agreements of South Wales and Scotland could not be main-

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tained, and that it was better to accept the principle of a statutory minimum than to allow the conflict to continue indefinitely, the emergency was handled with skill and firmness by His Majesty's Government. Experience alone can show whether the evils predicted will result from this new legislative departure.

If, as is alleged, the expenses of producing coal in this country must be considerably increased, the consequences are plain. The poorer mines and those most difficult to work will be closed. The production of coal will diminish. The price of coal will go up. We shall lose a part of our export trade, and the general industry of the country will suffer. Among the miners, those who retain their occupation will benefit, but a number will be thrown out of work. A great deal will depend upon the policy of the unions. If they allow the masters a free hand in dismissing men who, content with the minimum wage, cultivate slackness and inefficiency, the cost of coal-getting may not be greatly increased. And the cost of labour in the mines is only a part, in many cases a small part, of the expense of getting coal to market. A year or two hence we may be able to estimate the consequences of this dispute, and its cost to the nation.

But one or two things are already evident. The power of resistance shown by the community has exceeded the most sanguine expectations of well-informed men. Actual distress was limited and local. London in particular suffered hardly at all, except as regards suburban traffic. After the strike had been some weeks in progress, reports to the London County Council declared that there was little if any exceptional distress in the poorer districts. This was partly due to the warm weather. March is often a most inclement month in England. This year March was warm and mild beyond the memory of man, and the east winds of spring did not set in until after the strike was over.

The power of resistance shown was also partly due to the long notice given to industry. With the exception of the Great Eastern, which is said to have accumulated three

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months' full supply of coals, the railway companies were not so well provided as might have been expected. Their service was greatly disorganized. In the five weeks ending April 7, railway gross receipts fell by three million pounds. But gas and electric lighting companies did not, in most cases, run short. The prices of provisions rose very little, at any rate in London. The cotton mills, contrary to expectations, managed to keep going. Those mining leaders who may have expected to carry their programme by a speedy and universal paralysis of industry must have been greatly disappointed. But the community received nearly six months' warning, and six weeks' definite notice.

Again, this was supposed to be a war of the poor against the rich. It did not work out so. Apart from the great majority of poor and unorganized workpeople, who, of course, suffered most, a great blow was dealt to organized labour all over the country. Many of the great trade unions had to disburse enormous sums for out of work pay to their members. The victory of the miners, if it is a victory, has been dearly bought. The general cause of organized labour has received a definite set-back. It has been demonstrated, if demonstration were needed, that the general strike is war not upon a class but upon a nation, and, in so far as it is war upon a class, it is war upon the poor and not upon the rich. The recognition of the principle of a minimum wage in an exceptional and privileged industry is but a meagre compensation for these drawbacks.

The miners made it clear that they were fighting their own battle and not the battle of all discontented labour. Had the strike been complicated by a strike of transport workers and of railway men its effects would have been far more acute, the pressure on the community might have been intolerable. But all offers tending to sympathetic strikes were put aside. It is, perhaps, not unfair to surmise that the miners did not wish the settlement of their own claims to be complicated by the simultaneous presentment of demands from other classes. In the result, transport workers of all kinds, and the

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railway men in particular, have been among the chief sufferers from the strike, from which they derive no compensating benefits. These things are clear to us, but the feeling of class-solidarity seems to be stronger than experience. Even in districts, such as the potteries and the great iron centres, where the miners are in close proximity with the industries they had crippled for the time being, no active resentment was openly manifested.

On the whole there was little disorder during the strike, no wanton destruction of property. Pumping went on throughout, and it is not alleged that any mine has become permanently water-logged. Troops were in readiness to repress disorder, but their intervention was not needed.

In accordance with Syndicalist policy, some attempt has been made to persuade the soldiers that in performing their duty of repressing riot they are taking part against the strikers. This view has been expressed in Parliament. An article appeared in Mr Tom Mann's organ, the *Syndicalist*, to the same effect. The printers were indicted for this publication and punished by imprisonment. Mr Tom Mann himself was arrested and committed for trial; bail was at first refused, but afterwards granted. His case is still *sub judice* and therefore cannot be further discussed.*

Public attention has been directed to the dangers of such strikes, which affect the livelihood of a nation. Colonial legislation in restraint of strikes has been much discussed and, in accordance with the prepossessions of each writer, its successes have been magnified, or its occasional failures have been exaggerated. It would be useful if some qualified person would give us impartial and accurate accounts of the results of such legislation in those states or dominions in which it exists. Circumstances are very different here and there; but the record of results would be valuable.

The general opinion among thinking men here is that measures are urgently needed for a judicial settlement of

* Mr Tom Mann has been sentenced to six months' imprisonment in the second class division.—ED.

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industrial disputes on the one hand, and on the other hand to punish incitement to strike in industries whose continuance is necessary to the national life. Apart from the disastrous effects on national industry, such strikes have a direct bearing on national defence. The railway strike last year was terminated by an appeal to the patriotism of the railway directors, with direct reference to the dispute with Germany. One strike and another has retarded the ship-building for the Navy in a most unfortunate manner. But the practical difficulties of such legislation are fully perceived, and the political difficulties are even greater. The members of organized trades are only a minority of the manhood of the country, but their organization gives them political power far in excess of their numbers; and the organized trades cling jealously to the right of striking. In view of all the circumstances and all the difficulties, it is not thought that any party is likely to tackle the dangerous strike question, until we have suffered some disaster far greater than the great coal strike of 1912. From this point of view some people may regret that it was not allowed to run its normal course, without Government intervention. But it is not probable that any Government could have refused to intervene.

London, May, 1912.

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I. MR BORDEN IN OFFICE

THE Borden Administration has just been released from a trying and difficult session of Parliament. Within a few weeks after their accession to office the Conservative Ministers were obliged to meet the Senate and the House of Commons. In the Commons they had a majority of forty-eight or fifty, embracing a doubtful Nationalist element; in the Senate the Liberal party had an overwhelming ascendancy. Amongst the Ministers only Mr Foster had ever before sat in a Cabinet. Opposed to the Government was an Opposition united and aggressive, and led by Sir Wilfrid Laurier with as much ardour and energy as he has ever displayed. Indeed the vigour and endurance manifested by the Liberal leader was a noteworthy feature of the session. Moreover, the Administration had to deal with two or three questions directly affecting racial and religious considerations and these are the most difficult problems which arise in the government of Canada.

It has to be said, however, that the Administration handled the session with skill, patience and sagacity. There was nothing sensational in its performances, nor was there slovenliness or feebleness in its management of the public business. Meeting Parliament with much friction, irritation and uneasiness amongst its supporters, at prorogation there was real cohesion in the ranks and a settled and solid loyalty to the Cabinet. This result is attributed chiefly to the quiet force and conciliatory temper of the Prime Minister in Council and to the resource in strategy and power in debate which he displayed on the floor of Parliament. Whether or not Mr Borden was a successful leader of Opposition it is certain that he has revealed signal fitness for the leadership of Parliament. If he lacks something of the distinction and

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magnetism of Sir Wilfrid Laurier, he commands equal respect and inspires a genuine affection and confidence amongst his associates. In Canada as elsewhere the possession of high office enhances personal authority. This has been conspicuously demonstrated since Mr Borden became leader of the Government. As remarkable is the unshaken devotion of the Liberal press and the Liberal party to Sir Wilfrid Laurier. Distasteful to many Liberals as was the Trade Agreement with the United States there has been neither mourning nor recrimination over defeat, nor any whisper of dissatisfaction with the leader of the party. It is now settled that Sir Wilfrid Laurier will not resign the leadership of the Opposition. In all probability he will direct the Liberal party in the next federal contest. There is thus the prospect of continuous vitality and energy in Canadian politics, with an Opposition in the House of Commons vigilant enough and powerful enough to modify extreme legislation, to check abuses in administration, and to assure probity and efficiency in the public services.

A Bill to extend the boundaries of Manitoba afforded the first real test of the Government's stability. Ever since Manitoba was established it has been described as the "Postage Stamp Province." There has been a long agitation to extend the Province to Hudson Bay and to give it an area equal to that of the other Prairie Provinces. A few years ago new boundaries were agreed upon by the Provincial Government and the Laurier Administration, but the legislation necessary to give effect to the agreement was withheld for reasons that have not been fully disclosed. The situation, perhaps, was complicated by the demand of the Roman Catholic hierarchy for a legal recognition of separate schools in the territory to be added to Manitoba. When provincial constitutions were granted to Saskatchewan and Alberta separate schools were guaranteed to the Roman Catholic minority. In Manitoba separate schools were abolished by the Provincial Government twenty years ago, and over the attempt of the Tupper Administration to restore

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these schools against the resistance of the Liberal Opposition under Sir Wilfrid Laurier the Conservative party was defeated. One result of the change of Government was a modification of the Manitoba school system, adaptable to rural communities but difficult of application in Winnipeg, where the Roman Catholics had valuable school buildings. Ever since by authority of the Church these schools have been kept open at the cost of Roman Catholic taxpayers who were also assessed for the support of the public school system. In consideration of this grievance and the recognition of separate schools in Saskatchewan and Alberta the hierarchy insisted that the boundaries of Manitoba should not be extended unless Catholic schools were guaranteed in the district of Keewatin when that territory was joined to the province. This demand was renewed when Mr Borden came to deal with the boundaries of Manitoba, and was energetically supported by *Le Devoir*, the personal organ of Mr Bourassa, and by the Nationalist leader himself in direct appeal to the Ministers and in addresses from the public platform.

It became necessary, therefore, to delay the Bill, to resist Mr Bourassa or to impose Catholic schools upon Keewatin. This last was impossible, as nothing was more certain than that the bulk of the Government's supporters from the English provinces would not sanction the proposal even to save the Administration. Moreover to submit to Mr Bourassa was to confess that he was at the head of the table, while any suspicion of an alliance with the Nationalist leader was repugnant to all the instincts and prejudices of the masses of the Conservative party in the country. Fortunately for the security and reputation of the Government the French ministers adhered firmly to Mr Borden and save for five or six defections, the whole body of Nationalists and Conservatives from Quebec remained loyal to the Administration. The situation was made less difficult for the French Ministers and their supporters from Quebec by the highly important consideration that while

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Roman Catholic schools were legally established in the North-West Territories as long ago as 1875, no Catholic schools exist or ever have existed in Keewatin. Thus there was not a shadow of validity in the claim of Mr Bourassa and the Roman Catholic ecclesiastics, as under the constitution, where no separate schools exist, absolute and exclusive control over education is vested in the provinces. This unquestionably was the outstanding incident of the session and the signal achievement of the Administration.

It is believed that the contest over this measure has firmly and finally consolidated the Conservative party in Parliament under Mr Borden's leadership, as it has subdued the irritation amongst Conservatives in the country which was excited by the inclusion of Mr Monk and his French colleagues in the Cabinet. Furthermore it has destroyed the Nationalist organization in Quebec and has immensely impaired the authority of Mr Bourassa. Not wholly unconnected with this event is Mr Bourassa's decision to withdraw from the Quebec Legislature in order to take a long holiday in Europe. There are those who believe that he will not easily restore his prestige in Quebec. Outside of the French province his authority has greatly declined. The impression has deepened that he is mainly a force for mischief, and that his devotion to religious obscurantism and racial narrowness defeats his ambitions and reveals his essential unfitness for national leadership under the conditions which prevail in Canada. This may be an imperfect reading of his character. Of his charm of manner and gift of oratory he cannot be deprived. As purely the "white light" falls upon his personal integrity. But if he has not breadth and courage as well he can only be a fomenter of feeling and an agent of disruption. Not so regarded ten years ago, or even five years ago, probably it would be rash to suggest that he will not reappear with fervour and vigour unimpaired, and with a soberer conception of the responsibilities and limitations of practical statesmanship. In the meantime the Conservative party sets out to re-establish

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itself in Quebec, relieved of the alliance with the extreme Nationalists, and in sympathetic identity and active co-operation with the Conservatives of the English provinces.

Events have proved that Mr Borden was wise to give Quebec adequate representation in the Cabinet. If Mr Monk and his French colleagues had been excluded a formidable Nationalist group would have been established in Quebec. These would have waged a guerilla warfare against the Administration, and who doubts that occasion would have been found for furtive co-operation with the regular Opposition. Sir Wilfrid Laurier would have found means to effect combinations and create situations against which the Government could not have prevailed. There would have been no final resource outside of a dissolution of Parliament and an appeal to the constituencies. Even if successful in the country Quebec would have been absolutely estranged from the Conservative party. The Government would have depended upon a purely English majority. From the standpoint both of Canada and the Empire no more undesirable situation could be created. Besides, with Sir Wilfrid Laurier in control of a united Liberal party, the life of a Conservative Administration, under such conditions, probably would have been precarious and uncertain to the last degree. But by including the Conservative Nationalists in the Government, Mr Borden weakened nationalism in its stronghold and recreated the Conservative party as a powerful federal organization. Amongst French Conservatives, through restoration to office, the national spirit has been revived. Feeling again the pressure of national responsibilities and the obligation to co-operate with English colleagues, they abandon the provincialism which was developed in the long struggle against Sir Wilfrid Laurier and recognize that accommodation and compromise are inseparable from the wise and efficient administration of the affairs of a Federal Commonwealth. This is what has been accomplished for the Conservative party through its restoration to office, and there is no greater

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tribute to Mr Borden than the affection and confidence which he has inspired in his French colleagues, as there can be no clearer evidence of his fitness for national leadership than the resolution and courage which he has manifested in challenging and breaking nationalism in Quebec.

An issue as dangerous for the Government as the settlement of the boundaries of Manitoba, arose out of the agitation against the application of the *Ne Temere* decree to Canada. In order to ensure the validity of marriages between Roman Catholics and Protestants performed by Protestant clergymen, a Federal Act, declaring the inviolability of such marriages, was demanded. This Sir Wilfrid Laurier opposed on the ground that the solemnization of marriage was wholly within the jurisdiction of the provinces. It was contended, however, that although solemnization was a provincial function the Federal Parliament, exercising authority over divorce and determining degrees of consanguinity, had a reserve power to legalize all marriages performed by clergymen according to the provincial statutes and regulations. Owing to the dissolution of certain marriages by episcopal authority, feeling in the country, as expressed in the general election, was intense, and, as so often happens in Canada, all the ugly manifestations of an angry sectarianism were exhibited in the conflict. When Parliament assembled a private member introduced a bill to give inviolable effect to all marriages legally performed under provincial regulations. Mr Borden, however, with Mr Doherty, Minister of Justice, doubted the constitutional power of Parliament to enact such legislation. They, therefore, recommended that the question should be submitted to the Supreme Court and ultimately to the Imperial Privy Council for a definite and final determination of the measure of authority over marriage reposed in the Federal Parliament. The recommendation prevailed, but there was sullen and resolute resistance and even a real danger that the Government would be defeated. As a result of this action, however, the agitation in the country has subsided,

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and there is a general disposition to await the judgment of the Privy Council. In the meantime one of the French Judges of Quebec, adjudicating upon a marriage annulled by Archbishop Bruchesi of Montreal, has declared the marriage legal, or, in other words, has pronounced the *Ne Temere* ineffective under the law of Quebec. It is assumed that this case will also go to the Privy Council, and if the judgment of the Quebec Court is sustained, whether or not a federal law is enacted, is not of material account. But this question, and the issues arising out of the extension of the boundaries of Manitoba, required delicate and courageous handling. In the process the mettle of Ministers, newly installed in office and wholly without experience in the management of a parliamentary majority, was severely tested. It is something, therefore, to say that the Ministers have firmly entrenched themselves in the confidence of their supporters in the House of Commons, and that they hold an infinitely stronger position in the country than when the session began. It may or may not be significant that, with the settlement of the boundaries of Manitoba, the Provincial Government has so modified the educational regulations as to relieve the Roman Catholics of double school taxes, and to include the Catholic schools of Winnipeg within the public school system.

II. A CONSTITUTIONAL CONFLICT

AS was inevitable the Session of Parliament developed a conflict between the Senate and the House of Commons. Few Canadians will argue that the experiment with a nominated Senate has been satisfactory. During the whole history of Confederation only one senator has been chosen who was not in active political sympathy with the appointing Government. This was the isolated act of Sir John Macdonald, and there was a sense of personal gratitude behind the appointment. Only Liberals were nominated by the

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Mackenzie Government which held office from 1873 to 1878. Only Conservatives, with the single exception mentioned, were appointed by the Conservative Administrations which governed the country from 1878 to 1896. Only Liberals entered the Senate during the sixteen years in which the Laurier Government held office. In the Senate as now constituted, there are twenty-two Conservatives and fifty-nine Liberals with six vacancies to which, unquestionably, Conservatives will be appointed. With these vacancies filled the Liberal party still will have a majority of thirty-one in the Upper Chamber. Under the last census Manitoba, Saskatchewan, and Alberta will each secure two, and British Columbia three, additional representatives in the Senate. This will give a Senate of ninety-six members, with twenty-four representatives from the Western provinces and an equal number from Ontario, Quebec, and the Eastern provinces, these constituting the three senatorial divisions of Older Canada. Even with all these seats occupied by Conservatives there would still be a Liberal majority of sixteen in the Senate, and, therefore, two or three years must elapse before the Conservative party can have control in both Houses.

During the session of Parliament which has just ended, three first-class measures sent up by the Conservative majority in the Commons were rejected by the Senate or subjected to amendments which the Government would not accept. One of these appropriated \$1,000,000 for public highways to be expended in the various provinces according to population. Another gave a subsidy of \$2,000,000, or \$6,400 per mile, to the Temiscaming and Northern Ontario Railway, constructed and operated by the Provincial Government. The third provided for a Tariff Commission to investigate industrial conditions, to secure and supply information concerning prices of raw material, wages of labour, pressure of competition from other countries, comparisons between cost of manufacture and charges upon consumers, and generally to constitute an Intelligence

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Bureau for the Departments of Trade, Finance, and Customs. Briefly, the Opposition in the Commons and the majority in the Senate opposed the grant to the railway as unnecessary in the financial condition of the province, and as creating an undesirable precedent; insisted that the appropriation for highways was an invasion of provincial jurisdiction, and that the money should be expended by the provinces; and treated the Tariff Commission as a device of protectionists designed to discover reasons for increasing duties, and to afford a refuge for Ministers against public criticism. It is not vital to assess the value of the arguments upon the one side or the other as the fact of consequence is that the measures were abandoned, and much of the labour of the session made abortive by the action of the Senate. Upon the proposals to assist road construction and to organize a Tariff Commission, the country may be said to have pronounced a favourable judgment as both were essential features of the Conservative platform in the general election.

It cannot be said that the Government is seriously embarrassed by the Senate's contumacy, or that public opinion is greatly excited over the rejection of these particular ministerial measures. What is disturbing is the manifestation of a partisan temper in the Senate, and the apprehension that, in future sessions, the Liberal majority may vitally embarrass the Administration. Between this majority and the Opposition in the Commons there is the closest cooperation. The atmosphere of the one chamber is as partisan as that of the other. While it would be untrue to say that the Senate does no valuable service in dealing with non-contentious private and public legislation, it has to be admitted that the Upper Chamber has been comparatively inactive save during short periods in which a majority of its members were opposed to the majority in the House of Commons. It was a registering body for Sir John Macdonald. It became a registering body for Sir Wilfrid Laurier as soon as the Conservative majority was overcome by Liberal

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appointments. Practically we have had single-chamber government ever since Confederation, save for a few years of petty partisan warfare between the two Houses.

In Opposition the Liberal party pledged itself to reform the constitution of the Upper Chamber. Sir Wilfrid Laurier even suggested a joint vote of the two Houses in cases of deadlock. When, however, the Liberal party obtained a majority in the Senate its zeal for reform slackened, and nothing was done to give effect to the pledges of Opposition. Mr Borden, too, has suggested reform, but has committed himself to no definite proposal. Probably he realizes that nothing can be accomplished while the Senate contains a Liberal majority. There are those who advocate abolition, but while the Senate generally is held in poor esteem, it is certain that public opinion favours a second Chamber, and that the provinces, whose constitutional rights it was designed to protect, could not be induced to sanction the absolute concentration of authority in the House of Commons. We remember also that the old Legislative Council of Upper and Lower Canada, elected by grouped constituencies, fell into disrepute as great as that which has overtaken the nominated Senate. It was this failure of popular election to give an effective Senate which led the makers of the constitution to adopt the principle of nomination. At Confederation, however, it was assumed that partisan considerations would be measurably disregarded in appointments to the Senate, and that an independent, conservative, responsible, revising and checking legislative body would be secured and maintained. As so often happens human nature was left out of account. That the Senate can continue to exist as now constituted is doubtful, but there is only a chaos of opinion as to how a more effective chamber can be secured if, indeed, there is not profound apathy on the whole subject. There is an element of comedy in the immediate situation, as the whole Liberal press of Canada and the mass of the Liberal politicians gave a very energetic support to the movement to destroy the veto of

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the House of Lords in Great Britain and now find themselves as energetically defending the exercise of the veto by a nominated Senate in Canada.

III. TRADE WITH THE WEST INDIES

AT the outset an atmosphere of pessimism surrounded the conference between Canadian Ministers and the delegates from the West India Islands. It was recognized that no considerable volume of trade was exchanged between Canada and the West Indian Colonies and dependencies, and that under all the existing conditions there was but a narrow field for reciprocal preferences. Jamaica was not represented owing probably to the strength of American commercial interests in the island. There was doubt amongst certain of the West Indian delegates if losses in American markets could be recovered in the markets of Canada. It was felt by the Canadian Government that only additional trade advantages would justify increased subsidies for water and cable communication. According to the Blue Books the total exports of Canada to the British West Indies, free and dutiable, amount to \$4,113,270. The total trade between Canada and the islands is \$10,582,625. The total trade of the British West Indies with all countries is £20,886,316, of which £10,577,952 is imports and £10,308,364 exports. The islands generally maintain a low scale of duties with a liberal free list. Thus they have nothing very substantial to offer in commercial negotiations with outside countries.

It is understood, however, that notwithstanding these somewhat unfavourable conditions a generous trade arrangement has been entered into, supported by adequate extension of steamship facilities, and provision for material betterment of cable communication. The exact terms of the agreement have not been disclosed, but there is reason to think that the recommendations of the Balfour Commission have been substantially adopted. It is expected that the preferences extended to Canada will cover fish, flour, bran, biscuits,

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lumber, shingles, cheese, butter, bacon, ham, beef, pork, boots and shoes, nails, spikes and rivets, oats, hay, soap, cordage, horses, paints, steam engines, and various classes of machinery. Canada will give preferential treatment to sugar, molasses, syrups, cocoa, fruits now subject to duty, and other products of the islands. As to the exact concessions by either country, however, nothing can be definitely stated until the agreement is laid before the Canadian Parliament and the Legislatures of the islands. It is hoped that the necessary ratification can be secured to give effect to the agreement by January 1, 1913. The contract is made for a term of years, revocable at the end of the period, on one year's notice. According to the official statement "It includes exchanges of products on a wide and generous scale and is based on a preference to the products of each country in the markets of the other." There is provision to include the Bahamas, Bermuda, Jamaica, Grenada, and British Honduras in the agreement if they should desire to avail themselves of its advantages. It is not understood that a uniform scale of duties was adopted, but that there will be degrees of preference in sympathy with local interests and conditions. The official report also intimates that the questions of improved cable and steamship communications between Canada and the West Indies were carefully considered, and resolutions unanimously adopted in favour of "adequate cable and steamship connection, based upon the co-operation of the West Indian Colonies, the Dominion of Canada, and the Government of Great Britain."

At the final session of the conference at Toronto the proposals for improving the steamship and cable services were very definitely foreshadowed. It was suggested that satisfactory cable communication could be best secured by an extended all-British cable system from Bermuda to Barbados, Trinidad, and British Guiana, with the necessary provision of auxiliary inter-island connexions, and that this could be effected through the medium of some responsible cable company by the co-operation of the West

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Indian Colonies, Canada, and the Home Government, either by guarantee against loss, or by the payment of supporting subsidies for a term of years. It was also agreed to urge upon the Home Government the extreme desirability of co-operating with the Colonial and Canadian Governments in providing a service of steamships specially constructed for, and run in strict regard to, the requirements of the trade between Canada and the West Indies, and it was recommended that the itinerary of these steamers should be so arranged as to make sharp connexions with the Canadian mail steamers plying between Canadian and British Atlantic ports. It is believed the conclusion of the conference was that one third of the cost of these improved services should be borne by the British Treasury, since the chief object was to further Imperial interests.

It may be that the agreement, if it should go into effect, will not result in any considerable immediate increase of trade between Canada and the West India Islands. Much will depend upon the ultimate measures taken to improve cable and steamship communication, and upon the attitude of the Imperial Government. There is no doubt, however, that the West India delegates discovered a rich and expanding market in Canada. Their sense of dependence upon the United States was materially lessened. Their confidence in the good will of Canada and its capacity to absorb their products was greatly increased. The agreement leaves both Canada and the Colonies with complete freedom to adjust their tariffs with other countries, but that they have taken a long step towards a permanent and increasingly intimate commercial relationship is the clear conviction of the representatives of both countries. At various functions held in honour of the visitors there were hints of a future political federation, but admittedly this proposal is immature, although even Sir William Mackenzie is amongst its zealous advocates. The West Indian delegates leave Canada impressed with the eager interest of the Government and people in the fortunes of the countries they represent, and

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fully recognizing the readiness of the Dominion to make liberal concessions in order to widen commercial intercourse and strengthen the fabric of Empire.

Mr Foster, who was Chairman of the Conference, and by the agreement completes a task to which he first set himself twenty-five years ago, manifestly believes that Canada can take the position of leadership in the reorganization and consolidation of the Empire. He said at the banquet in Toronto: "I see no reason why Canada and Australia should not sit down and come to an agreement as Canada and the West Indies have done. Let us first bind together all the outside sisterhood. We will then be able to march on the old country and bind her with the rest of them in the bonds of commercial interest and Imperial unity." To that object he devotes himself with a tireless energy and an eloquence of tongue which few Canadians possess. It has been the ideal of his public career. As he grows in years his enthusiasm waxes and the vision expands. In a few weeks he will leave for Australia, and with the authority of one of the Chief Ministers of Canada, negotiate for a closer fiscal relationship between the Dominion and the Commonwealth. Imperial Reciprocity is the goal of the Borden Administration, and the disposition is not to withhold concessions necessary to achieve the object. While there is no doubt that Mr Foster was peculiarly influential in the negotiation with the West Indies, he would be the first to admit that he was powerfully assisted by Mr White, who, as Minister of Finance, has shown signal fitness for the office, and in the course of one session has achieved an enviable position in Parliament. It should be added that the West Indian delegates made a singularly favourable impression, showing, on all occasions, courtesy, dignity and ability which commanded respect for themselves and their mission. A trade conference developed something of the intimacy of family relationship, and whatever may be the commercial results the event leaves only pleasant memories in Canada.

IV. AN IMPERIAL NAVY

ON various occasions during the session of the Federal Parliament naval policy was discussed. Time and again the Opposition strove to extract definite and detailed information from the Government. No success attended these manœuvres for the simple reason that the details of the Ministerial programme have not been settled. Indeed it is doubtful if there is even absolute agreement upon the broad outlines of the policy to be adopted. The Opposition was just as unsuccessful in the attempt to produce conflicting statements from the French and English wings of the Cabinet. If there are differences they were not revealed in Parliament, save perhaps in the laborious attempts of the French Conservative Ministers to explain extravagant speeches delivered in Quebec during the election. But generally French and English Ministers were under rigid discipline, and this, in itself, suggests a strong hand in control of the Ministerial forces. There is, indeed, reason to think that the Government will approach naval defence as a unit, and that, although the exigencies of the party conflict require a modification or an extension of the Laurier programme, there will be no evasion of responsibility nor any grudging contribution to sea defence.

In Opposition, as in Office, the French Liberals have resolutely asserted the obligation to assist in the defence of the Empire. The session witnessed nothing more spirited and effective than some of the speeches of Mr Lemieux in denunciation of the Nationalists, and in support of the policy of the Laurier Administration. Whatever were the merits or defects of the Laurier programme it was a beginning, and the first step is the hard step in any radical change in public policy. It may be that Liberal Ministers were driven by public opinion into the determination to organize and maintain a navy. It may be that they were influenced in some degree by considerations of political safety. But

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what other force than public opinion controls Governments in a free country? Does censure fall fairly upon public men who go the length of the public demand? Besides, in Quebec, there was a great body of feeling against naval appropriations, and from the French Liberals who were required to face and resist this hostile feeling, respect and honour should not be withheld. They were the pioneers in a hard task in a difficult country. Through their courageous action the road is made smoother for Quebec Conservatives and the Borden Administration.

It was expected that Mr Hazen, Minister of Naval Affairs, would leave two or three months ago to consult with the Admiralty on the scope and details of a naval policy for Canada. On full consideration, however, it was considered inadvisable to send the Minister to England during the session of Parliament. It was recognized that there would be energetic discussion of naval policy, and that upon Mr Borden and himself would chiefly devolve the defence of the Government. This unquestionably was a wise decision, for the manner in which Mr Hazen handled himself was something of a revelation to Parliament. He now goes to the Old Country with a prestige and authority which he did not possess when he joined the Administration. It is believed, although not officially announced, that Mr Borden will accompany his colleague in order to assist in consultation with the Imperial authorities.

The speeches of the Prime Minister and Mr Hazen indicate what is in the mind of the Government. Declaring that while it may not be necessary at the moment to consider whether each portion of the Empire should have representation on the Board controlling the navy of the Empire, the Minister for Naval Affairs insists that "we must have a navy concerning which there shall not be divided control, and which must be prepared to act and strike as an effective whole when necessary in defence of the flag."

"We are gaining in Canada," said Mr Hazen, "a

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position of wealth and importance as one of the sisters beyond the seas of the British Empire. I believe that there is not a self-respecting citizen of Canada who does not feel that the position we occupy to-day of allowing the taxpayers of Great Britain, without any assistance on our part, to continue, as in the years when we were in our infancy as a nation, to maintain the British navy for the support and protection, not only of the British Isles, but of the British Colonial possessions beyond the seas, is rather humiliating to us as a self-respecting people, and that it is our duty plainly, clearly, and manifestly to contribute a fair share towards the national defence. While I say that, I think that our contribution must be on grounds that will meet with the approval of, and will be fair to, ourselves as a self-respecting part of the British Empire. The navy, to be effective, must be for the purposes of the Empire. If we are to continue as an Empire we cannot have one navy in New Zealand, another in Australia, another in South Africa, another in Canada, and another in the British Isles. A navy which exists for the purpose of the general defence of the Empire must be a navy concerning which there shall not be divided control, which would destroy its usefulness and efficiency in time of trouble."

Mr Borden adheres to his position that contribution to Imperial defence involves representation in the councils of the Empire. This view, it is believed, is strongly entertained by the French members of the Cabinet. During the session the Prime Minister thus defined his attitude:

"It is a problem that concerns in the most vital, in the closest way, the relations between the self-governing Dominions and the Mother Country, because no man need disguise from himself the fact that if the various Dominions do enter into a system of naval defence, which shall concern and belong to the whole Empire, these Dominions, while that system continues, cannot be very well excluded from having a greater voice in the councils of the Empire than they have had in past years. I think we all, on both sides of the house

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realise that any man who gives his intelligence to the solution of that particular problem will arrive at that conclusion. Therefore, it is a very great problem."

Mr Borden contends that a number of small cruisers cannot be accepted as the basis of a permanent naval policy. He argues that the Laurier Administration did not go to the heart of the matter. He holds that the essential condition of any enduring agreement is that we shall know where we stand in the Empire.

" We propose that the naval policy of the late Government shall not be continued, and that, before any naval policy is entered upon, some of these matters shall be considered, and that when that policy is brought down it shall be presented to Parliament, and that the people of this country shall be given an opportunity to pronounce upon it. So far as the future of this Government is concerned we propose to deal with naval defence after careful consideration and attention to the problems which I have mentioned. We propose, so far as the technical question is concerned, to be guided by the Empire's experts, because it is obvious that the British Admiralty must be better informed, so far as the technical part of this question is concerned, than any man in this country can possibly be."

Clearly from the conference between the Canadian Ministers and the Imperial authorities may proceed consequences of great and far-reaching significance to the British Dominions, and clearly Canada is not seeking to evade its legitimate obligations and responsibilities.

Canada. April 1912.

AUSTRALIA

I. COMMONWEALTH ADMINISTRATION

THE Commonwealth Parliament is enjoying a prolonged holiday. During last year Parliament was in session for only four months, the long recess being due to the absence of several Ministers, attended by a delegation of fellow members, at the Imperial Conference and the Coronation. The date of opening the session for the current year has not yet been announced, but it is expected that the month of June will probably see our legislators at work again. Parliamentary debates impart a vigour to political life which is apt to obscure the fact that administrative acts are frequently more vital and more important to the community than many much-discussed legislative measures.

During the past three months the Commonwealth Government has been busily engaged in putting into effect, or attempting to put into effect, some of the legislation which, by the assistance of the principle of party solidarity, it passed through Parliament last year. Some of these measures are rightly regarded as of the greatest national importance, but their practical effect depends largely upon administrative action.

The problems presented by the Northern Territory have, for many years, engaged the attention of all our politicians and thinkers who have attempted to take more than a provincial outlook. It appears to be universally conceded that the administration of this vast area (about 524,000 square miles), by South Australia was a dismal failure. At the present time there are only about 1,400 whites in the whole territory, and the balance of the non-aboriginal population, in all only some 1,900, consists mainly of Chinese, Malaysians, and other Eastern races. The debt

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taken over by the Commonwealth with the territory from South Australia amounts to £6,000,000.

The changes in the international balance of power arising from the progress of Japan, the awakening of China, and the naval activity of Germany, have made Australians keenly sensitive to the danger of allowing this portion of the Continent to remain empty and unoccupied. It is agreed by all political parties that the territory must be peopled at any cost. Recent exploring expeditions sent out by the Government, have reported that, while portions of the southern area are apparently economically useless, much of the country is admirably adapted for grazing purposes, and that the well watered areas in the north, which are themselves of no inconsiderable extent, are suited for the cultivation of many valuable tropical products. The great problems to be solved are first, whether the white man can perform arduous manual work under the prevailing climatic conditions; secondly, whether the products of a tropical soil can be raised by white labour so as to compete in the markets of the world with the products of other countries, where cheap coloured labour is available. In any case it is obvious that the land must be made attractive to immigrants who have the necessary capacity and capital to develop its resources. It is hardly less obvious that the attainment of this end will largely depend upon effective and intelligent administration. Even the keenest critics of our Labour Government have had to approve the first important appointments to the new territory staff. Professor J. A. Gilruth, of the University of Melbourne, has been appointed first Administrator of this Commonwealth province. Alike in New Zealand, where he held an important Government position, and in Victoria, where he occupied the chair of Veterinary Science at the University, this gentleman has shown himself to be possessed of outstanding ability and conspicuous executive power. His scientific knowledge of stock will be of the greatest value in the development of this new country. An equally good

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appointment is that of Professor W. Baldwin Spencer, also of the University of Melbourne, to the position of Protector of Aborigines. Professor Spencer, whose anthropological and ethnological investigations among the aborigines are known and esteemed wherever scientists meet has obtained a year's leave of absence from his University in order to inaugurate a proper system of controlling and caring for the remaining aboriginal inhabitants of the territory. The Chinese settlers have corrupted the aborigines in a wholesale fashion, while it is unfortunately true that the conduct of the white man has not been free from reproach. Professor Spencer is, by universal consent, better equipped than any other man for the difficult task which he has taken in hand.

Perhaps the greatest problem immediately confronting the Government was the question of land tenure. In accordance with the principles of the Labour Party platform, a system of perpetual leaseholds is to be adopted. It is announced that perpetual leases will be granted in the case of pastoral lands, according to the class of land, of maximum areas of 500, 1,000, or 3,000 square miles; in the case of mixed farming and grazing lands, according to class, of maximum areas of 12,800 or 64,000 acres; in the case of cultivation farms, according to class, of maximum areas of 640 or 2,560 acres. Conditions requiring fencing and other improvements will be inserted in all leases. No rent will be payable for the mixed or the cultivation farms for ten years, while 5,000 "pioneering leases" will be granted in different parts of the territory, and under these no rent will be payable for twenty-one years. In the case of town and suburban lands, provision is to be made for re-appraisal every fourteen years; in the case of pastoral and agricultural leases, the revision of rental value will be made every twenty-one years.

There is much objection in the local press to a system of land settlement which makes it impossible for the "pioneer" to acquire the freehold of his block. The experience

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of New Zealand, New South Wales, and Victoria has shown that, at least in the case of agricultural lands, it is very difficult, and indeed, from the practical point of view, almost impossible for any Government to withstand the political pressure of perpetual lessees who want to convert their leases into freeholds. One of the principles laid down in the platform of the Labour Party in New South Wales, was the absolute prohibition of further alienation of Crown Lands in fee. But the McGowan Ministry found it impossible to carry out this principle, and Mr Neilson, Minister of Lands, apparently the only member of the party who remained faithful to this article of its policy, was compelled to resign from office. It is obvious that the widespread difficulties which the leasehold system encounters are intensified when the enterprise has in it, as in the case of the Northern Territory, a largely speculative element, so that settlers have to be tempted by the hope of large but uncertain gains. But it is doubtful whether any considerable support would be given by the electorate to any proposals for alienating the fee simple of grazing lands. Great hopes of the Northern Territory are entertained by the Commonwealth Cabinet, and everybody wishes well to their developmental enterprise. It is recognized that the territory cannot be made even self-supporting without large initial expenditure, but nobody grudges what is universally regarded as the payment of a necessary insurance premium against great, though possibly ill-defined, risks.

The transcontinental railway is destined to link up all the mainland capitals by bridging the gap of 1,100 miles between Port Augusta in South Australia and Kalgoorlie in Western Australia. The Home Affairs Department has been very busy in arranging further surveys of the country through which the line will pass, and in arriving at determinations upon a number of questions of policy connected with its construction. The problem of the gauges was settled last year. The differences of gauge between the

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railway systems of the various States are among the most deplorable results of pre-federal discussion.

The ruling gauges are as follows:

	Gauge.	Mileage.
New South Wales	4 ft. 8½ in.	3,643
Victoria	5 ft. 3 in.	3,384
Queensland	3 ft. 6 in.	3,661
South Australia	3 ft. 6 in.	1,459
” ”	5 ft. 3 in.	599
Western Australia	3 ft. 6 in.	2,145

In a journey by rail from Brisbane to Adelaide, lines of three different gauges are traversed. The consequent inconvenience and expense is already great, and it must inevitably increase with the growth of commercial and other intercourse. After much discussion, occasionally of a rather acrimonious character, it was decided that the trans-continental line should be built upon the New South Wales gauge of 4 ft. 8½ in. When the States are ultimately forced into adopting a uniform gauge, they will have little option but to follow the Commonwealth lead. Already it is suggested that the States which will be compelled to alter their lines are entitled to receive financial assistance from the Federal Exchequer.

Long stretches of the country through which the new line will run are almost waterless, and the supply of water to the engines raised many serious difficulties, and threatened to swell very substantially the regular deficit which is expected to accrue from the working of the line. It is now announced that internal combustion engines will be used. The results of this experiment will be watched with interest from many places. The water difficulty will disappear, but it remains to be discovered whether this innovation will effectively meet those unforeseen contingencies which frequently upset the most attractive theories.

The new Defence scheme is getting into full swing. The registration of youths for training has been, on the whole,

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fairly satisfactory, but an enquiry into a suspected deficiency is now being vigorously prosecuted. The first batch of young trainees will be drafted into the militia on July 1st next. There was some trouble with the boys at the outset of the compulsory training, but it is not anticipated that any further difficulties will arise from an unwillingness to submit to discipline which was not unnatural in the beginning of the system. The present militia pay for periods spent in drills, camps, etc., is 6s. per day. The pay for the future Citizen Army will range from 3s. to 4s. per day for the privates, with, of course, higher rates for officers. When the scheme is in full operation the expenditure chargeable to this item alone will be considerably more than £400,000 per annum.

The federal capital city is to be a vision beautiful. Upwards of 200 designs have been received from architects, at home and abroad, who are anxious to win the prize which the Government has offered for the most satisfactory plans. Some of the designs are admirably complete, being accompanied by plaster casts of the city area, showing the architectural and other embellishments with which the artist architect proposes to adorn the now somewhat desolate locality of Yass-Canberra.

II. DIFFICULTIES OF THE LABOUR PARTY.

IN the normal course of events a Commonwealth General Election falls due in the early months of 1913. The party managers are already actively engaged in organization, and we are beginning to discuss the issues upon which the election will probably turn and to endeavour to forecast the result. At the last general election, in April, 1910, Labour swept the polls, gaining all eighteen seats then open in the Senate and largely increasing its members in the House of Representatives. In the Senate election every voter had three votes, and in a total poll for the Senate of over 4,000,000 votes, Labour's actual majority over its

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opponents was only about 24,000, though it won every seat. In the House of Representatives Labour won 42 seats with 686,842 votes, while its opponents, though they had a majority of 2,262 votes on the totals, were rewarded with only 33 seats. In Parliament Labour was unassailable, and a not unnatural pride, which enemies called arrogance, was a characteristic of the first year of office of the Fisher Ministry. But a consideration of the feeling in the constituencies as manifested in the votes polled readily showed that Labour's margin was very narrow. Undoubtedly Labour polled a large sympathetic vote on this occasion, a vote which cannot be safely counted as a Labour asset in future elections. The Liberal Protectionists, under Mr Deakin, and the non-Labour Free Traders—some of whom were of a distinctly conservative, if not reactionary, type—under Mr Joseph Cook, had combined in what was called the Fusion. Many electors who were not regular Labour supporters took the view that the Fusion was an unholy alliance, resting upon a basis of surrender of principle for the sake of the pleasures and gains of office. These electors voted with Labour in 1910.

But in April, 1911, the apparently impregnable Labour Ministry submitted to the people by referendum a number of proposed changes in the Constitution. It was urged that, without a grant of extended powers to the Commonwealth Parliament, it would be impossible to carry into effect some of the most important planks of the Labour platform. The people answered this appeal in a very decisive fashion, rejecting the proposed changes by a majority of no less than 250,000. Since this rebuff, Ministerialists have certainly lost their previous confidence in the permanence of a golden age of Labour in office. Last week Mr Frank Anstey, M.P., one of the ablest of the rank and file of Labour members, predicted that Labour would meet its Sedan at the coming elections. But he claimed that the present Opposition, when it came into office, would be unable to accomplish anything of a positive character, and that the appeal to

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the constituencies in 1916 would inaugurate a lengthy period of Labour control.

It cannot be denied that the Labour Party has not fulfilled the hopes of its more ardent members and supporters. Ministers admit that they have not accomplished everything promised, but they claim that it is impossible to do so until the constitutional amendments which they desire are granted by the people. Undoubtedly the constitution stands in the way of the extensive schemes of nationalization which have formed the subject of many a glowing platform appeal. In New South Wales, for example, a practical instance of this difficulty has recently become prominent. The Lithgow Iron Works, the only establishment of the kind in the Commonwealth, was largely dependent upon the support of the State Government. Disputes occurred between the proprietors and their employés, culminating in rioting and in some destruction of property. The proprietors, accusing the men of breaking their agreements, refused to accede to their demands, and a disastrous strike took place. The Commonwealth Government, acting upon the report of an expert as to the quality and ingredients of the iron produced, has withheld payment of the bonus which is apparently necessary to the existence of the industry, under present conditions, upon a scale of any magnitude. The New South Wales (Labour) Government has also withdrawn its support. Thus, in effect, the works are closed down. The Commonwealth Government is anxious that the rails for the transcontinental railway should be of Australian manufacture. But it is politically impossible to give a large contract to a firm which is "at war with the workers." It is natural therefore, that nationalization of the works should be regarded as the proper remedy. But this is clearly impossible under the limited powers conferred on the Commonwealth by the present constitution. It is one example of the impediments which Labour finds obstructing the path to the realization of its politico-industrial ideals. The Prime Minister, Mr Fisher, at the

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Labour Conference held in Hobart at the beginning of the year, announced that another referendum would be held at the next elections, and that the proposals which were rejected in 1911 would again be submitted to the people. In 1911 a powerful minority of the Labour Party in New South Wales opposed the policy of their federal colleagues, but these dissentients, it is now announced, have been brought into line. The additional support obtained will be more formal than enthusiastic and, whatever it may be worth in New South Wales, it cannot help to turn the scale in Victoria, Queensland, South Australia, and Tasmania, where large negative majorities were recorded on the occasion of the last referendum.

In the meantime there is a general feeling that Labour has, for the present, shot its bolt. The impossibility of carrying its nationalization proposals into effect has disappointed many followers, while the constant troubles of the State coal mine in Victoria have produced, in some circles, a certain revulsion of feeling against nationalization which may have marked effects in the political arena. The Opposition to the Government appears to have grown steadily since the referenda. Their electoral legislation, for instance, has aroused much criticism. The provisions for voting by post, which enabled persons who happened to be out of reach of their polling place on election day, and sick and infirm persons, to record their votes, have been repealed. Most postal votes were in fact cast against the Labour party, but there is evidence that some abuse of the system took place in the interests of both parties, and nobody objected to stringent precautions against such abuse. The Opposition, however, claims that the abolition of postal voting is a piece of distinctly partisan legislation.

For many years Labour orators have announced the glory that is to be when a Commonwealth Bank is established. The necessary legislation was passed months ago, but Mr Fisher does not seem to be able to get the bank going. It is understood that, though it is enacted that the control of the

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bank shall be free from political influence, men of sufficient banking experience are not willing to accept the lucrative positions which Mr Fisher is offering to them. It is openly asserted that a number of leading banking men have refused to accept the position of Governor of the Bank at a salary of £3,000 per annum. Mr Fisher failed in an attempt to induce the States to hand over their highly successful Savings Banks to the Federal Government, and some hostile critics are forcibly insisting that there is no business for the Commonwealth Bank to do. In any case, the benefits expected from the bank have not yet come to fruition.

Mr O'Malley, the Minister for Home Affairs, caused great joy in the rank and file of his party by promulgating in his department what he described as a policy of "absolute preference to unionists." His ministerial colleagues, however, though unable and unwilling to repudiate this article of their political faith, evidently regarded the innovation as politically inexpedient. Unionists were greatly pleased, but they are a minority of the community, and the opposition to this principle has undoubtedly become very strong and intense. Some foolish unions have urged that all Government positions, beginning with those connected with the conduct of elections, should be confined to members of the Labour Party. These proposals have by no means diminished the opposition to the policy of giving unionists a preference over non-unionists in obtaining Government work. Most unionists, it need hardly be said, are in fact supporters of the Labour party.

Immigration is another matter which has afforded foothold to critics of the Government. Everybody agrees, in words, that an increase in the population of Australia is absolutely essential. But it is alleged that the Labour party never goes beyond words except to impede, and, if possible, defeat, every practical proposal designed to bring immigrants to our shores. Undoubtedly the artisan class of the cities does not appear to be anxious to introduce immigrants who, when the country is not so astonishingly prosperous

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as at present, may become competitors for a limited amount of work. On the other hand, the Commonwealth has, we are told, been assiduous in advertising Australia in the United Kingdom; and it must in fairness be remembered that the efficient promotion of immigration is really in the hands of the States, which directly control the lands of Australia. The Commonwealth Government, critics are reminded, can offer no land to immigrants, but it has done its best to make lands available for them by imposing a land tax which, to some extent at least, is causing the sub-division of large pastoral estates into areas suitable for agriculture.

There are other indications than the referenda of 1911 that, at present at least, the tide is running against Labour. Mr E. L. Batchelor, Minister of External Affairs, whose death on October 8, 1911, was mourned by the whole community, had securely held the seat of Boothby in South Australia since the establishment of federation. At the by-election the Opposition candidate, Mr Gordon, was returned by a large majority. At the State elections in Victoria on November 16, 1911, after a strenuous campaign, Labour lost two seats and gained none, to the great disappointment of its federal friends. In South Australia Labour was in office, having a bare majority in the House. But a carters' strike in the capital city, Adelaide, had shaken the position of the Government. Many people considered that the Government had abdicated its powers in favour of the trades unions. Persons and institutions desiring protection against violence while carting goods through the streets, were directed by Ministers to apply for permits to the strike committee. This action, or inaction, of the Government was strongly resented by large sections of the community.

III. POLITICAL PROSPECTS

THese events have stirred all parties into activity. Labour is consolidating and extending its already highly efficient organization, and, despite the indications of probable defeat which have been mentioned, but few of its

POLITICAL PROSPECTS

members appear to share the gloomy forebodings of Mr Anstey. The opponents of Labour are also organizing. But they have grave difficulties to meet which must prejudicially affect their chances of political success. The policy of political separatism which Labour has resolutely pursued makes matters awkward for its divided opponents. There are really three large political parties in Australia, each representing distinct methods and ideas. There is the Labour party, essentially socialist, firmly convinced of the power of legislative action to improve the condition of the working classes, eager, therefore, in radical schemes of social and industrial change (all to be carried out by political means), and securing a united effort along definite lines by means of a party pledge to a party platform and a party caucus controlling the parliamentary vote of every member of the party in all questions affecting the platform. Most Labourites are protectionists, but a not inconsiderable number are free traders. Then there is the party which we may call the "old Liberals." Mr Deakin, its leader, is typical of this party. It is progressive and essentially democratic, sharing in many of Labour's ideals, but non-socialist, and not so utterly convinced as Labour of the omnipotence of legislation. This party strongly objects to party pledges and caucus methods as destructive of honest parliamentary action and debate. The third party consists of what may be called the Conservatives. They are largely free traders, regarding legislation as at best a necessary evil, to be minimized as far as possible. They are opposed to Socialism heart and soul, and regard with especial fervour the interests of property. Save for their abhorrence of Labour's political methods, and especially of the caucus, Liberals are in most respects nearer to Labour than to the Conservatives. It is impossible to estimate the real relative strength of these three parties. At the last election many Liberals expressed their distrust of the Conservatives by voting for Labour. These votes were, in fact, not so much votes for Labour as votes against the fusion of Liberals and Conservatives. Unless Labour makes some great mistake in legislation

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or administration, voters will not be strongly drawn towards a coalition arranged by a few leaders whose bond of union is little more than opposition to Labour. This is now fully recognized, and the various non-Labour political bodies are endeavouring to formulate a common set of principles and practical proposals. Most of these bodies denominate themselves "Liberal," a term which has almost become simply the equivalent of non-Labour or anti-Labour, but which has in Australian politics a goodwill which gives it considerable value as a party badge. It is quite understood that the approval of the rank and file of each body is a necessary condition of any effective union or amalgamation. More than one attempt at union has proved abortive, and it is impossible to predict with confidence whether the present effort will meet with any substantial success.

The Labour party will go before the electors with a definite programme, printed that all may read. To this programme every Labour candidate will be absolutely bound, and breaking away on details is prevented by the caucus system. The other party, demanding less surrender of individuality, will lose in party solidarity, but may succeed in formulating a platform which will appeal to that large body of progressive democrats which stops short of Socialism. What has been called the "Conservative" section cannot of itself defeat Labour, and, as a matter of practical politics, it prefers even "advanced" democracy to still more "advanced" socialism. Perhaps the most hopeful feature of the "fusion" is that it may infuse more real political thought into the Conservative section, and convince it that politics does not consist in mere sullen resistance to unpalatable projects, but demands a more positive and enlightened attitude to public affairs. It cannot be said that our political parties are buckling on their armour; they are occupied in deciding, with much caution and circumspection, what armour they will wear and what weapons they will carry.

Australia. April, 1912.

SOUTH AFRICA

I. THE PARLIAMENTARY SESSION

THE Second Session of the first Parliament of the Union of South Africa was opened by His Excellency Viscount Gladstone, with the usual ceremonies, on Friday, January 26. After referring to the Coronation, the Imperial Conference and the fact that "the first year of Union has been one of advancement and prosperity," His Excellency proceeded in his speech to outline an ambitious programme of legislative and administrative activity. Legislation was foreshadowed on the Public Service, on Defence, Land Settlement, Irrigation, Land Banks, Railway Construction, University Education, Registration of Votes, Police, Administration of Estates, Native Taxation and the control of Railways and Harbours. Two months of the Session have already elapsed, and of this ambitious programme not a single measure has yet managed to pass through Parliament, nor is it likely that more than a very small portion of it will become law during the present Session.

II. THE WORK OF REORGANIZATION

THE Government is almost wholly occupied, and will for some time to come be occupied, with the reorganization of its machinery to suit the new conditions created by Union. In all this work no question of principle has yet arisen on which political parties are divided, and the visitor to South Africa is invariably struck by the apparent similarity between the platform speeches of the two main parties. This is hardly to be wondered at. Before clear lines of party division emerge in South African politics, it is desirable that this work of putting the house in order should

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first be done. The foundations were laid by the Act of Union, and the Government must be fully occupied for some time to come in erecting the superstructure thereon. It was these considerations which led men like Sir Starr Jameson and Sir Percy Fitzpatrick to advocate the formation of the first Union Government on strictly non-party lines. They recognized that there was no room for party differences in the great work of construction that had to be carried out. The foundations on which it had to be built had been laid down in the Convention and embodied in the Act of Union, the provisions of which were the direct outcome of the deliberations of representatives of all parties. It is not our intention here to discuss either the feasibility or the wisdom of this idea. It was undoubtedly worthy of a great event. Suffice it to say that it was not adopted by General Botha, who formed his Ministry, except as regards the two Natal members of it, entirely from representatives of the strictly party Governments which were in office in each colony at the time of the Union. The result was that the work of reconstruction immediately began to be hampered by the suspicions of party controversy. It was, perhaps, hardly to be hoped that a party Government engaged in the work of re-organization could escape such suspicions, but the inevitable result was that Sir Starr Jameson and the party which he leads assumed an attitude of vigilant opposition, which has gradually become more pronounced as time passes. These suspicions found utterance during the present Session in a strong attack on the Government in regard to its reorganization of the Civil Service. This attack was embodied in two motions. One was proposed by Mr Jagger, the member for the Central Division of Cape Town, and attacked the Government on what is considered by some people to be the excessive centralization of the administrative departments in Pretoria. It is on the efficiency and accessibility of the service when it comes into direct contact with the people that the man in the street will judge of the success of Union and of the new machinery which Union

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entails. It is natural, for example, that a farmer of the Western Province of the Cape should view with apprehension the almost total removal to Pretoria (nearly 1,000 miles away) of the Agricultural Department, which he has always been accustomed to consult at Cape Town. Similarly, the merchant at Durban is provoked by the extra delay involved in having to communicate with the Department of Commerce at Pretoria instead of at Pietermaritzburg. Under the Act of Union, however, Pretoria is the administrative capital, and the consequent shifting of the headquarters of the Government Departments of the old colonies has to be faced.

There is no doubt, however, that the consequent centralization has led to inconvenience, and it has also accentuated the dissatisfaction which the Act of Union has left among those who either were from the start opposed to Union or who, in accepting the principle of Union, favoured a federal as against a unitary system. It may be expected, however, that as time goes on and the new arrangements work more smoothly, the criticisms based on this aspect of the change will be less common.

The other motion dealt with the reorganization of the machinery of Government with more special reference to the personnel of the service, in regard to which the Government was accused of having been influenced by political motives in their new appointments and reductions. This was a trouble which was clearly foreseen when the constitution was under consideration, and the Act of Union contains a provision that the reorganization consequent on Union should be carried out on the recommendations of a Commission to be appointed for the purpose. The Act also provided for the appointment of a permanent Commission for regulating the service. The appointment of this latter Commission was to be part of legislation laying down the conditions of Public Service for the Union, but no such legislation has yet been laid before Parliament. The former Commission was appointed, though after some delay, but its composition was

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the subject of considerable criticism. It was on their conduct in regard to these Commissions, and to the actual appointments to positions in the Public Service, that the Government was attacked. Without entering into the merits of the controversy, there can be little doubt that if the Government, in carrying out their reorganization, had been supported by the recommendations of a strong and independent Commission, they would have avoided much of the suspicion and political controversy into which they have fallen. In the light of these discussions, the Government's promised measure for regulating the Civil Service, placing it on a definite footing and appointing the permanent Public Service Commission provided for it in the Act of Union, is awaited with the keenest interest, and will be subjected to a most searching criticism in Parliament.

III. FINANCIAL RELATIONS COMMISSION

NEXT in importance to the settlement of the Civil Service is the defining of the financial relations between the central and provincial governments. The provincial sentiment is still very strong, and is likely to remain so for some time to come. It finds its embodiment at present in the constitution of the Provincial Councils, which was part of the price that had to be paid to secure Union on a unitary as against a federal basis. The Councils were constituted and entrusted with certain powers, but the Constitution provided that all public assets and revenues belonging to any of the Colonies entering the Union should pass to the Union Government. That being so, it became necessary to lay down some system for providing the Councils with the revenues necessary to carry out the duties assigned to them, and the Act of Union prescribed that a Commission should be appointed consisting of a member from each Province, with a chairman from the Imperial Service, and that after their report Parliament should make the necessary provision. The position is considerably complicated by the fact that there

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is in existence in the Cape Province alone a complete system of local government. In that Province, outside the municipalities or other urban authorities, which, as in the other Provinces, administer their own affairs and raise their own revenues, there are rural Divisional Councils, entrusted with the management of roads and other rural matters, and acting as Public Health authorities, and there are also throughout the Province School Boards acting as the local Education authorities. All these provide a definite share of the funds administered by them, either from school fees and other local revenues, or by rates imposed on owners or occupiers of fixed property within their respective areas. In the other Provinces there is no system of local taxation outside the municipalities. In the country districts there are certain advisory Boards, dealing with the administration of schools and roads, but the whole cost of these services has been borne by the central Government. This charge now falls to be borne by the Provincial Council, in matters in which jurisdiction is given to the Provinces by the Constitution, or by the Union Government in other matters as the case may be.

Hitherto this distinction has not been of practical importance, as the Act of Union provided that all expenditure previously met by the Colonial Governments should be defrayed from the Union Treasury, until the Commission above mentioned should have reported on the financial relations of the Union and the Provinces, and until Parliament had made provision accordingly. At the same time the ratepayer in rural districts of the Cape Province has had a legitimate grievance since Union. He has been contributing to local expenditure in the Cape Province, through his rural Divisional Councils and School Boards, while, as a taxpayer of the Union, he has also been contributing to similar local expenditure in the other Provinces, the whole burden of which has been borne by Government. The Commission, therefore, in providing for the financial relations between the Union and the Provinces, had to take account of this

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difference between the system of local government in the Cape and in the other Provinces.

Although the Commissioners who sign the majority report are naturally cautious about expressing any opinion as to the probable development of the Constitution in regard to Provincial Administration, they clearly indicate that in their opinion it is desirable that local government in South Africa should advance along the lines existing in the Cape Province, that is to say by the establishment of divisional councils or similar authorities having rating powers over comparatively small areas, rather than on the lines of the other Provinces, where all local government outside municipalities is administered and paid for by the central authority. They realized that if the inequality mentioned above were not redressed in any permanent settlement which might be arrived at, the natural result would be a demand from the Cape for relief from the burden of local taxation.

The question involves more than a mere matter of finance. It touches what has been a serious weakness in South African political life, more especially in the Transvaal and the Orange Free State, ever since by the discovery of gold and diamonds the pastoral communities of these states entered on their inheritance of material wealth and political and social troubles. In the Free State the change came more slowly and the difficulties of administration were less acutely felt. There the country was comparatively small, and the population was not sharply divided as between the towns and the country. The form of government and the duties required of it were simple, and, so long as its revenues were limited to what could be raised from the people themselves, its public expenditure was of the most frugal type.

After the railway had been built through its territory, carrying the rapidly growing traffic between the Witwatersrand and the ports, the profits earned upon it brought a great accession of wealth to the State Treasury, all the more welcome as it came without laying any perceptible burden on the shoulders of the people. State expenditure accord-

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ingly began to expand, the primitive ideas of what the Government could and should do began to be enlarged, and the various districts began to look to the central Government, and to the influence of their representatives upon it, to provide for them schools and roads and bridges and all the other things which were now regarded as necessary. There was no spirit of local independence as against the central government, nor was there any sense of distinction between what was local and what was national. So long, therefore, as the State Treasury could provide funds adequate for the reasonable satisfaction of the various demands on it, there was nothing to suggest the necessity or advisability of a local contribution to meet local needs.

In the Free State in the conditions existing there before the war this arrangement worked without any serious extravagance, and indeed it is probable that, even under present conditions and the inflated standard of demand in private and public life which has fastened itself on South Africa, a Provincial Council in the Free State could administer its local affairs efficiently and economically without any subordinate local authorities outside the larger towns. Things were different, however, in the Transvaal. There a new and mixed population thronged into the country, mining camps sprang up and grew into towns and with this came pressure on the Government to provide schools, roads, police, water, light and all the requirements of a population accustomed to a very different mode of life from that of the people among whom they had come. All these demands came upon the central Government because there was no other, and the growing revenues from the goldfields gave it ample funds to meet them. Of the people who had come in most were accustomed to a system of local self government, and indeed preferred it, and would have been willing to pay for it. The Government, however, which looked with an eye of suspicion on its new citizens and refused to admit the great majority of them to political rights, jealously forbade the creation of any separate administrative authorities

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inside the state. When, owing to the growth of towns or to the requirements of traffic, expenditure became necessary, the Government found the money itself, or, where the service required was capable of yielding revenue, as in the case of water supply, lighting, tramways, etc., it gave concessions or monopolies to private companies to exploit them for their own profit. Of local government, i.e. the management of local affairs by authorities, elected by the local people and administering their own moneys, there was none before the war.

After the war a new policy was adopted. In all the towns of the Transvaal municipalities were established with large powers of administration, and with powers of rating property and raising other local revenues. The Government ceased to exercise any but the most general control over the administration of the Councils, and left them to provide their own funds for their own requirements. In the country, however, things remained as before, but the expenditure on local needs rapidly grew. Hundreds of thousands of pounds were spent on schools, on roads and bridges, on hospitals and police services, but to all this expenditure nothing was contributed by the inhabitants of the districts benefited. There was no local taxation, and their contributions to the State revenues were just what they had been before any of these new requirements were thought of. All the money came from the magic purse of the new population of the gold-fields.

This, therefore, is the question which faces the Union Government. Is it to move in the direction of a definite distinction between local and national expenditure, and of the establishment of local self-government with powers of local taxation for local purposes? Or is it to leave all administrative authority in the hands of a Central Government (whether that of the Union or of the Province) and confine local authorities to purely advisory functions? The latter system is that which commends itself to the country population, both because it is that to which they have become

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accustomed, outside the Cape Province, and because the taxation of the Central Government has hitherto fallen very lightly on the country districts. The former system commends itself to those who have grown up under traditions of local self-government in other countries, and is advocated as offering opportunities of public work to men who otherwise would have none, and as providing the only check on the wasteful expenditure of public funds for the benefit of particular districts.

The appointment of this Commission, therefore, may be said to mark the parting of the ways for the Union in regard to local government, and the question presented was whether the provincial authorities should be made responsible for raising at least a definite share of the funds required for their expenditure from revenues imposed and arranged by themselves, or whether the Union Government should be the sole taxing authority, and should feed the Provinces by grants calculated to meet their expenditure on its present scale and gradually expanding to meet any reasonable growth?

The report of the Commission was presented to Parliament in February, and consists of a majority report, signed by the chairman and the Cape and Transvaal members, with certain reservations by the Cape member, and a minority report signed by the representatives of Natal and the Free State.

The proposals of the majority report are threefold:

1. That the Provincial Administration should be wholly and solely responsible for all expenditure on the services assigned to it.
2. That it should receive from the Union Government a block grant of one-half of the expenditure actually incurred within the year. In the Provincial expenditure is included all expenditure incurred in the Cape Province by divisional councils and school boards out of local revenues.
3. That the remaining half should be defrayed out of

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direct taxation imposed and collected by the Provincial Council, or by local authorities within its area, dealing with matters which come within the scope of the Provincial Council. Certain taxes now levied by the Union Government were to be handed over to the Councils, and for the rest the Councils were left to exercise their powers of raising a rate on fixed property within their area.

The minority report proposed that the Union should make over certain revenues to the Provinces, and that the balance of existing Provincial expenditure should be provided by a grant from the Union Treasury at a certain rate per head of population. This would automatically grow, as population increased, and might be expected to provide for any normal increase in Provincial expenditure.

The Government's first action on this Report was the obvious one of summoning the Provincial Executives to a conference at Cape Town, and in his budget speech, delivered on March 22, the Finance Minister informed the country of the terms provisionally agreed upon between him and the Provincial Executives. The basis of the agreement was the acceptance of the principle underlying the report of the majority of the commission, viz.:

1. Responsibility of the Provincial Councils for their own expenditure, subject to a grant from the Union Treasury, and
2. Limitation of the Union grants to one-half of the total expenditure in each Province.

This principle, however, if adopted without modification would have had the effect of requiring the Provinces of the Orange Free State, Natal and the Transvaal to impose direct taxation at once, because the revenues which would accrue to these Provinces from the existing taxes which the commission proposed to transfer to the Provincial Councils would not of themselves have been adequate, together with the grant from the Union Treasury, to meet the expendi-

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ture. These three Provincial Councils, therefore, would have been faced with the necessity of exercising their powers of direct taxation to make up the deficiency, and the only direct taxation which in practice they could levy was a rate on landed property. In the Cape Province there would have been no such necessity because the resources derived from the taxes proposed to be transferred to the Province, together with the local revenues raised by divisional councils and school boards, would have been more than sufficient to provide the half of the Provincial expenditure left unprovided for by the Union grant.

The result of the recommendations of the majority of the Commission, therefore, if applied without modification, was to drive the three other Provinces to have recourse to a system of local taxation, similar to that existing in the Cape Province, whether imposed directly by the Councils or through a system of subordinate local authorities.

This was a position which the Government was unwilling to face. The Provincial Executives naturally used the arguments which had found favour with the Commissioners who signed the minority report, viz.: That if there was any fresh taxation to be imposed it should be done by the Union Government and not by the Provinces. They argued, seeing that by the terms of the Act of Union the Union Treasury had appropriated all the public revenues previously belonging to the four Colonies, that these revenues had so far been sufficient to meet all expenditure both of the Union and the Provinces, and that in any division of revenues as between the Union and the Provinces, the Provinces were entitled to be equipped with funds sufficient to meet their share of the public expenditure which had fallen to them under the Constitution. In the end, as usual, a compromise was arrived at, by which the Union Government secured from the Provincial Executives acceptance of the principle stated above, on condition of making such subsidiary arrangements as would relieve the three Provinces from the immediate necessity of resorting to new taxation.

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They secured this in the case of the Transvaal by assigning to that Province the whole revenue derived from the Pass fees (registration fees) on native labourers, instead of one-half only which the Commission's report had recommended. In the case of the Orange Free State and Natal they got over the difficulty by offering a grant or dole for a period of ten years, sufficient to render the Councils independent of fresh taxation so long as they do not exceed their present expenditure.

On paper, therefore, the principle is accepted of the local responsibility of the several Provinces for one-half of the provincial expenditure; but in practice the three Provinces which have not at present a system of local taxation are protected, so long as their expenditure does not exceed its present limit, from the necessity of having recourse to it. It remains to be seen whether the acceptance by these Provinces of the principles referred to will be more than an academic one, i.e. whether, when their present revenues prove insufficient for their requirements, they will make up the deficiency by local taxation, or turn to the Union Treasury and ask for more.

A further question is whether the Provincial Councils constituted under the Act of Union will provide suitable machinery for the work of local government, or whether the system of divisional councils and school boards now in force in the Cape Province will be accepted in the other three Provinces. If the growth of expenditure in these Provinces leads to the imposition of a tax on land, that in itself will probably tend to bring about a devolution in local government, since the incidence of a land tax is fairer, and the difficulties of valuation less, when it takes the form of a rate levied over a small area to meet certain definite expenditure falling on the inhabitants of that area. In that case the position of the Provincial Council might possibly become that of a fifth wheel to the coach. This indeed is foreshadowed by the Commissioners, though they did not regard it as within their reference to make recommendations on the consti-

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tution of the Provincial Councils. They indicate, however, that the local government of the future may be administered by authorities acting in smaller areas than the present Provincial Councils, and possibly combining in one authority the work now done in the Cape Province by the divisional councils and school boards. If such a development should take place it is certainly hard to see what place there would be for the Provincial Councils. The abolition of these Councils, however, with the consequent obliteration of the identity of the four Colonies which formed the Union, would involve a constitutional change of such importance that it is not likely to come about in the near future.

South Africa. March, 1912.

NEW ZEALAND

I. LOCAL POLITICS

THE last New Zealand article brought the narrative of events down to the close of the General Election, when the returns from the second ballots had just come in, and it was then pointed out that the two chief parties were apparently even, and that the balance of power was in the hands of four Labour and two Independent members. Since that time public attention has been focussed upon the political situation, and the public interest has been profoundly stirred. In the first place the result of the election came as a complete surprise. True, it was generally thought that the Opposition party would gain a number of seats, but few people, if any, appreciated the strength of the rising wave of sentiment throughout the country, hostile to the administration of Sir Joseph Ward. The pronounced and unexpected success of the Opposition at the first ballot depressed the Ministerialists and stimulated the following of Mr Massey; one noticeable result being that in these electorates where the contest at the second ballot lay between ministerial and independent or labour candidates the latter grew more vigorous and outspoken in their condemnation of the Ward administration, and thereby strengthened their bid for the genuine Opposition vote. In several cases they boldly pledged themselves to vote against the Government on a no confidence motion. The result was that indicated in the last letter, and the situation was unprecedented and interesting. For the first time in twenty years a serious breach had been made in the Liberal phalanx, a serious rupture had taken place between Liberalism and Labour.

Sir Joseph Ward did not at once resign, but (quite reasonably) determined to meet the House. Instead of waiting until June, however, he recognized the propriety of ascer-

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taining his real position by arranging for an early session in February. In the meanwhile speculation was rife as to the votes of the independent and unpledged Labour members, prognostications and rumours from both sides varying almost from hour to hour.

The House met on February 15. The Governor's speech, though vague and nebulous upon some points, marked a distinct movement towards the Labour party and was obviously intended to secure the allegiance of the wavering but important few. Among the measures foreshadowed were the following:

1. Reconstruction of the Upper House by providing that some of the members should be elected by the members of the House of Representatives, some appointed by the Governor, and some chosen by the local provincial councils, which it was suggested should be set up under a new scheme of local government.

2. Wider powers for resumption of land for settlement. It was suggested that the price should be fixed by a Land Purchase Board, but should be subject to increase or diminution according as the price received by the Government upon subdivision was greater or smaller than the price so fixed.

3. Amendment of the Arbitration Act by a provision that the President need not be a lawyer.

4. Revision of the tariff, a reduction of duty on tobacco being specially mentioned.

5. The establishment of a commission of industrial investigation to report upon labour conditions and kindred problems.

6. Legislation (no details given) against trusts and combines.

7. Establishment of a bureau of justice to advise and defend without charge.

8. Establishment of a state iron industry, and the acquisition of a state coal mine for Auckland.

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9. Vaguely stated provisions for voluntary profit-sharing enterprises, cottage farms for workers, co-operative fruit farms and farmers' banks.

10. A state note issue.

11. Extension of free education.

Such a programme was startling indeed, after the comparative legislative quietness of Sir Joseph Ward's term of office, and went far beyond any promises made during the electoral campaign. It undoubtedly helped, however, to attract the support of the Labour party.

On February 20, as an amendment to the address, Mr Massey moved in reply that a paragraph be added stating that the Government did not possess the confidence of the House. The debate on this amendment lasted till Tuesday, February 27. It at once became apparent that the Ministry as then constituted could not continue. Whatever the fate of the party might be, a reconstruction was obviously demanded. Sir Joseph Ward boldly stated that he was personally prepared to join the rank and file of the party and thus leave the way open for a complete reconstruction, and it seems to have been recognized by the press throughout New Zealand that sweeping changes would have to be made in the personnel of the Cabinet, even if the Opposition party was unable to turn the Government out. It was equally clear that in effecting any such change the forces of Labour must be recognized and conciliated.

Sir Joseph Ward's action had the result which he hoped for, but in all probability hardly expected. During the debate two Labour members, who had absolutely pledged themselves to their constituents to vote in favour of a no confidence motion, announced their intention of breaking their pledges. They offered as their justification the plea that they were only pledged to vote against the Ward Ministry, and that the Prime Minister's promise of resignation by him and a reconstruction of the Cabinet relieved them from the obligation. As far as we know, no serious attempt has been made by the Liberal press to support this remarkable view.

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It is, no doubt, probable that the main determination which the members in question had when they pledged themselves to the electors was to turn out the Ward Government rather than to put the Opposition in. Probably, too, they would later have turned upon Mr Massey, at all events unless he was prepared to make large concessions to their party. The Labour attitude was quite intelligible and was frankly stated by an unpledged member when he said that he would suck one party dry and then the other until he got what he wanted. But the pledges given were clear and distinct, and there was an honourable way in which the members in question could have redeemed the promise upon which they were elected and at the same time have maintained their principles. They could have voted Sir Joseph Ward out of office and then forced Mr Massey to go to the country again. They determined, however, to support Sir Joseph Ward upon the assurance, as they explicitly stated, that the reconstruction referred to would be made. Upon the division being taken, on February 27, it was found that the voting was equal (39 to 39), and the Speaker exercised his casting vote against the no confidence motion.

Parliament was then prorogued until March 30, and may not meet again until June. In the meantime a drastic reconstruction must be made. Sir Joseph Ward's offer of resignation was somewhat ambiguous and uncertain in its terms, but in view of the way in which it was taken by the members mentioned above, and accepted in its fullest significance by most of the newspapers, it seems certain that he will at least retire from the position of first Minister, and possibly from the Cabinet altogether.*

* The Cabinet has, since the writing of the above, been reconstructed as follows :

HON. THOMAS MACKENZIE	...	Prime Minister, Minister of Lands and Minister of Agriculture.
HON. A. M. MYERS	...	Minister of Finance, Minister of Defence and Minister of Railways.
HON. W. D. S. MACDONALD	...	Minister of Native Affairs and Minister of Public Works.

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So we are brought to an interesting and momentous period in our political history. For the first time in twenty years the two chief parties are balanced, the Liberal and Labour combination has been broken, and Labour holds the balance of power. The continuous Ministry has received a shock from which it may not recover, and we are entering upon a new epoch, pregnant with possibilities but most difficult to forecast. That there will be a shifting of parties with new lines of cleavage seems certain. It will no longer be, as it has been for ten years, the Ins against the Outs, but large questions of policy will almost surely come before the people, and around these the parties will for some time be grouped. Any reconstructed Cabinet from the party now in power must, if it is to have any chance of holding office, be strongly tinged with Labour sentiment, and this is bound to cause some division in the Liberal ranks, both in the House and in the country. The state of parties is so even that any shifting of votes means a change, while the result of another appeal to the country is entirely a matter of conjecture.

Some reference has already been made in the pages of the ROUND TABLE to the continuous Ministry of the last twenty years, but in view of the present disturbed state of politics and the growing importance of the Labour party a further consideration of that and the other great continuous Ministry will not be without a general interest. For the phenomenon is not new in New Zealand history, and the causes will almost certainly recur. The "continuous Ministry" has been the most interesting and striking feature of New Zealand political history since 1872. The name is given,

HON. J. A. HANAN	...	...	Minister of Education and Minister of Justice.
HON. G. LAURENSEN	...	...	Minister of Customs, Minister of Labour and Minister of Marine.
HON. G. W. RUSSELL	...	...	Minister of Public Health and Minister of Internal Affairs.
HON. J. COLVIN...	...	...	Minister of Mines.
HON. H. G. ELL	Postmaster General.
HON. TE RANGIHIROA (DR BUCK)	} Members of the Executive Council.
HON. T. BUXTON	

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says Mr W. P. Reeves, "to a shifting combination, or rather series of combinations, among public men, by which the Cabinet was from time to time modified without being completely changed at any one time."

One such Ministry, with brief interludes from 1877 to 1879 and from 1884 to 1887 (when Grey and Stout respectively held office), fills the period from 1872 to 1891, while another has occupied the Government benches from 1891 to the present time. The leaders of the first were, at different times, Vogel, Atkinson, Hall and Whitaker; of the second Ballance, Seddon and Ward. Without considering these two Ministries in detail, it is worth while to note the facts which explain their development and a consideration of which suggests a probable recurrence of the phenomenon in the future.

From 1872 to 1875 the vital question of New Zealand politics was the abolition of the provincial system of government, and when in the latter year the provincialists were decisively beaten few topics of first importance remained. The Government, too, was just entering upon the famous policy of borrowing for public works. Finance and administration thus became the matters of greatest moment, and after a comparatively short tenure of office the party in power succeeded in strongly entrenching its position. The possession of the Treasury Benches gave it a great advantage over those in opposition, and a change of government became increasingly difficult. This advantage, inevitable in any country where the functions of government are mainly administrative, and where few questions of national policy, and none of foreign policy, are being agitated, was increased by the fact that the Government borrowed largely and embarked upon many great public works. The nine provinces had lost their local government, but the "nine sturdy mendicants" remained. In any new and expanding country the power of the purse is enormous, although it be exercised with the utmost fairness and impartiality. Every pound of public money spent, even upon obvious and inevit-

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able works, increases the hold of the Ministry, and a very moderate dexterity in the doling out of grants enables a party, once firmly established, constantly to strengthen its hold upon the country. It must also be remembered that in a new country the distinction or cleavage between Liberals and Conservatives, though nominally retained, is much slighter than that between parties in England. Political opportunism, too, is more conspicuous, and a strong Opposition often succeeds in forcing its views upon Ministers and their supporters, gaining a victory upon principle without turning the Government out. It was thus that in 1879 Grey forced his adversaries to take the first step towards manhood suffrage by granting a vote to persons having only residential, and not property, qualification; it was thus that in 1889 the Atkinson Ministry acquiesced in the proposal to abolish plural voting. It was thus that, time and again, Seddon routed a determined attack made upon him and triumphantly turned to his advantage the measures advocated by his opponents. In the end, of course, the long tenure of power brings about its own destruction. Security breeds carelessness, perhaps corruption; length of office inspires mistrust, discontent and envy. An office, too, which is only executive seldom survives a period of commercial depression. So it proved in New Zealand.

The downfall of the Conservative party in 1891 was brought about by bad times, by the inevitable reaction against a long administration, and by the rising of a strong tide of democratic feeling and a strong movement in favour of radical legislative changes. The Liberal party was returned with a majority, and Mr John Ballance formed a Ministry in succession to that of Sir Harry Atkinson. With Ballance began the second continuous Ministry, destined to hold office without intermission for no less than twenty years, during fifteen of which Seddon occupied the position of Prime Minister. His long ascendancy was due in part to his remarkable amalgamation of the Liberal and Labour parties, in part to the great prosperity, due to many causes, which

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the colony enjoyed for many years, in part to his legislative programme, which fascinated the Radicals without unduly alarming the cautious Liberals, and in part to the powerful personality of the man himself. But even the staunchest follower must recognize that Seddon's triumph illustrates as well the truth of the contention that the secret of long office in New Zealand is the administrative control of the country. Every year saw millions borrowed and spent, and even had he been superhumanly free from the opportunism of the politician such an expenditure must inevitably have consolidated large sections of electors in his favour. Few people, indeed, realize how small a period of Seddon's domination is covered by his great legislative achievements. Coming into power in 1893, he proceeded at once to carry an ambitious programme into execution; 1894 saw the passing of a Factories Act, the Government Advances to Settlers Act, the Lands for Settlement Act, the Shops and Shops Assistants Act, and the establishment of the system of Conciliation and Arbitration for the settlement of industrial disputes. 1896 held the Female Law Practitioners Act and an Act providing for Rating on Unimproved Values. In 1898 the system of Old Age Pensions was introduced, but no other important measure. In 1899 the State embarked in the business of accident insurance, but from that time on, if we omit non-party reforms, the legislative energy of Parliament began to flag. In 1900 the only noticeable measure was the adoption of the English Workers Compensation for Accidents Act. Since then the only important legislative departures under Seddon were the State Fire Insurance Act of 1903 and certain provisions for State erection of Workers' Dwellings (1905).

Upon the death of Seddon, Sir Joseph Ward succeeded to a secure command, and for a time bade fair to hold on indefinitely. The legislative springs, however, showed few signs of renewed activity. Few measures of policy were before the country, and the one great controversial topic, land settlement, was not regarded as a party question. The old

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union between Liberalism and Labour showed signs of dissolution, and Labour was not strong enough to force the pace. Administration thus became once more the chief question of practical politics, and it was upon this issue that the elections were frankly fought in 1908 and '11. The result of the latter showed that the long attack of the Opposition had been effective, and that the people were desirous of a change of government.

Once more the situation is confused, but unless a strong and active Radical party arises—strong in numbers and bent upon large measures of policy—it seems likely that administration will soon become again the chief political topic, and that so long as times are buoyant and borrowed money continues to flow in, any Ministry which succeeds in holding office for a session will long retain its place and power.

II. LABOUR UNREST

NEXT to the General Election the topic which has aroused the greatest interest has been the prevalence of industrial unrest. Strikes, actual or threatened, have darkened the prospect for some time past.

The system of industrial conciliation and arbitration was introduced in 1894, and with frequent minor modifications from time to time has been maintained ever since. Under the law as it now stands provision is made for the settlement of disputes between masters and men by a reference in the first instance to a Council of Conciliation, upon which both sides are represented, and then in case of failure to reach a satisfactory settlement to the Court of Arbitration, which proceeds to determine the matters in issue and to make an award binding upon the whole industry concerned. The system at first purported to restrain all strikes and lock-outs, but under the present Act two provisions only deal with this subject and may be roughly summarized as follows:

LABOUR UNREST

(1) A penalty is imposed upon any person, union, or association who or which, *being engaged in an industry to which an award or industrial agreement applies*, is party in any way to a strike or lock-out.

(2) As to certain industries—relating to gas, electricity, water, milk, meat, coal, ferries, tramways and railways—*whether subject to an award or not*, a penalty is imposed upon any person, union or association who or which is party to a strike or lock-out unless fourteen days' notice has first been given.

Without going into details it may fairly be said that the past two years have shown that the system has entirely broken down in the sense that a powerful section of employés has indicated that no legislative provisions will deter it from using the weapon of the strike. Plainly, therefore, the system must be destroyed or very materially altered, for if the prohibitions are mere *bruta fulmina* the sooner they are removed from the statute book the better. For many years the arbitration system effectually prevented strikes but only while the victory rested substantially with the workers. Undoubtedly, too, it did much for the weaker bodies of wage earners, and materially prevented sweating. Now, however, it is realized by the more aggressive and militant bodies that little more is to be gained by compulsory arbitration and the old weapon of the strike is once again brought out of the armoury. Quite naturally legislation is powerless to restrain its use.

For some time past numerous applications have been made for cancellation of the registration of workers' unions, the object of this being to enable them to join in or assist a strike without danger to their funds under the penal provisions, and trouble has been brewing for well over a year. During the past three months both the provisions to which reference has been made above have been openly and deliberately violated. The employés of the Wellington City Tramways (a municipal undertaking) struck without giving

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the notice required by the Act, and strikes have taken place in industries which are subject to awards. At the moment of writing there is grave apprehension of a general strike under the control and guidance of the New Zealand Federation of Labour, and the industrial outlook is lamentably dark.

III. THE JAPANESE IN THE PACIFIC

SOME interest has been taken locally in the recent announcement in the newspapers that a new Japanese steamship service is to be established from one of the Japanese ports or from Singapore, to open up a trade with the South Sea Islands. This information was given to the *Sydney Morning Herald* by Mr A. W. McLean, an official of the British Embassy in Tokio, who is staying in Sydney at the present time. He said that the Japanese Government had offered a subsidy for this service, and it was quite likely that it would begin in March. It would not be run by the Nippon Yusen Kaisha, but by another company, and would probably for the present confine its operations to the Caroline and Gilbert groups and outlying islands.

“They will no doubt go to other places, too, if they can get in, but I guess you’ll go raising objections,” Mr McLean remarked, “if they start cutting into the trade of the British Solomons or Fiji.”

There was already, he mentioned, a Japanese syndicate headed by Mr Kumine, growing cocoanuts in the Admiralty Islands, and others would follow. There was a big demand in Japan for island products. They were large buyers of phosphates, of shells for button making, tortoiseshell, and other things. Already, though Australians might not be aware of the fact, Japanese schooners regularly visited outlying islands, from which they gathered bird skins and anything else of value. Their plan was, when they came to an uninhabited island, to leave a few members of their crew

THE JAPANESE IN THE PACIFIC

there to collect the products of the place, and to call back for them in two or three months' time.

Mr McLean further pointed out that Japan had a population of about fifty million people, and the peculiar thing was that they did not care much for their own colonies, such as Hokkaido, on the north of Yezo, or the southern half of Saghalien, ceded to them by the Russians. Many went to Korea and Manchuria, but they were practically barred from Canada and America, and they were barred from Australia. Where was the overflow to go? He did not think that Australia need fear them, but they were looking toward the South Sea Islands, and he did not see how they could be kept from going there.

Some comments on this announcement were made to another Sydney paper by Dr Dorsey, a representative of one of the leading American journals.

"When I was in Japan a little while ago," he remarked, "I heard of this new company forming, and I know also from personal experience that every ship that comes south to practically any of the islands of the Northern Pacific brings with it one or two, or perhaps more, Japanese. And they are not poor, ignorant, uneducated Japanese. It is almost safe to say that there are no Japanese of this type. The men who are coming south are clever men, many of them skilled tradesmen, many of them university men, pretty well all of them soldiers who fought in the Russo-Japanese war. I know that in the Admiralty Islands, for instance, there is a Japanese who is quite a little rajah in his way. He has his steam launch and his little fleet, and he flits about from island to island just as though he were the Governor.

"There can be no doubt about it that one of Japan's ideals is to gain sway over the trade of the Pacific. That is a very laudable ambition, and we cannot object to it. Australia cannot object to it either. The only attitude that she can adopt is to keep awake to see that no other end is in view, and, anyhow, to prevent Japan from grabbing all the trade."

"If the Japanese get Manchuria," he added, "they will

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not, I fancy, worry about countries or islands to the south of them. But if they do not, then they will come south. The United States is against them in their desire for Manchuria. So is China, of course. Every day that passes makes Manchuria harder for them to get.

“ But, as I say, the islands are their smaller objective now as a sort of preliminary.

“ Another significant fact is that they have given up worrying about the Philippines, and are concentrating on all these smaller islands.”

IV. COMMONWEALTH AND DOMINION

UNDER the heading of “ A Staggering Prophecy ” Australian papers report Mr Fisher, the Federal Prime Minister, as saying that New Zealand will probably be in the Federation within twenty years, and that an agreement for joint defence will be brought about within five years.*

Before venturing any comment, it may be well to set down some further pronouncements which throw light on this prophecy.

At the Hobart Labour Conference, which was held earlier in January, Mr Fisher carried a resolution in these terms:

“ Being impressed with the belief that the interests, welfare and safety of the Commonwealth and New Zealand are mutually bound up with each other, this Conference is of opinion that it is extremely desirable that closer political, industrial and commercial relations should be established between the two countries.”

Although this resolution does not expressly specify federation as part of the programme, yet later on Mr Fisher declared that

“ the Dominion would undoubtedly favour the federation of the two peoples, as both recognized that the

* *The Melbourne Age*, Jan. 22, 1912.

COMMONWEALTH AND DOMINION

fate of the one would be the fate of the other if they ever happened to come into contact with greater peoples more powerful than themselves.”

The subject is clearly very much in the Prime Minister's thoughts, for he again returned to it at the annual luncheon of the Australian Natives Association—a body which did an immense amount of work in earlier days towards making Australian Federation a paramount political issue. At this meeting Mr Fisher expressed the belief that it was the wish of the Australian people, as well as of the Government, that the people of New Zealand should join with them in the defence of the Pacific.

“The fate and destiny of Australia and New Zealand were the same and they should be united in the defence of these distant lands that were held by people of the same thought and the same political system.”

Mr Deakin, who also spoke, said that New Zealand was represented when the first draft convention for Union was prepared, and “from that day to this they (i.e. the Australians) had never ceased to hold out every inducement to their brothers across that narrow strip of sea.”

Since then the Federal Government has decided to take action to secure closer union with New Zealand, at first in commercial and defence relations, but with the ultimate aim of getting New Zealand to become a State in the Federation.

It is not easy to say how far these pronouncements represent the views of the Australian people as well as of their political leaders. But it stands to the credit of Mr Fisher that he should be anxious to open up the whole subject, however incredible to the people of New Zealand may seem his suggestion that New Zealand will some day federate with Australia. His present activity in seeking closer union with New Zealand in commerce and defence, his negotiations with Canada for a fiscal treaty, and the support which he

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gave at the Imperial Conference to Sir Wilfrid Laurier's proposal (suggested by his own resolution) to set up a Royal Commission to promote commercial intercourse within the Empire, demonstrate in the most practical manner that Mr Fisher and the Federal Labour party are not, as their earlier critics contended, entirely consumed by a "Chinese jealousy of the outside world," and absorbed in a process of national introspection.

So far Mr Fisher's proposals have not been discussed in New Zealand except in a general way by the newspapers. One paper, in repudiating his proposal for Federation, claimed that it only showed "that one colonial may be as ignorant of the trend of political thought in a neighbouring colony as the most stay-at-home Briton." But this reflection applies equally to the people both of New Zealand and Australia as regards each other, and if Mr Fisher merely succeeds in promoting an intelligent discussion of our mutual interests we can afford to forgive his miscalculation as to the trend of political thought in New Zealand.

It would be interesting to discover the process of reasoning by which Mr Fisher concluded that New Zealand might even within twenty years surrender its autonomy and become transformed into a federal state in a Commonwealth from which it is separated by 1,200 miles of sea, because there is probably no question in which the people of New Zealand are so unanimous as in their resolve to preserve their individual nationality. Every year since New Zealand declined to become an original State in the Federation has only served to develop her consciousness of a separate career, and to convince her of the force of the arguments which kept her out of the Federation. Mr Balance expressed the national conviction in a sentence when he said in 1891, "Looked at from every point of view the whole weight of the argument is against New Zealand entering into any federation except a federation with the Mother Country." The Royal Commission which investigated the whole question in 1900 were unanimous against

COMMONWEALTH AND DOMINION

Federation. Every paper that has written on the question since Mr Fisher spoke has scouted the idea and treated the question as one to be regarded as finally closed. One quotation from the *New Zealand Herald* serves as a sample, and also shows the same saving qualification as to Imperial Federation as was made by Mr Ballance:

“There can be so little doubt upon the attitude of the New Zealand public towards any scheme of political federation with Australia—otherwise than by some Imperial Federation scheme which aimed at drawing all the British States more closely together—that no responsible New Zealand statesman would venture to champion it. We do not propose to surrender our autonomy without sound cause—and the sound cause is positively non-existent.”

It is true that Mr Fisher may reply by recalling the fact that the first proposal for Australian Federation was “greeted with shouts of laughter” but if his prophecy is correct it will have to prove itself by the event and not by any demonstrable tendency in New Zealand political thought.

But, as Sir Wilfrid Laurier has said, “autonomy does not mean antagonism,” and therefore New Zealand has held out the glad hand to Mr Fisher’s proposal for a fiscal treaty. Here again, however, Mr Fisher’s suggestion “that there should be a very full reciprocity between the Dominion and the Commonwealth amounting even to Free trade” states the possibilities of the case much too broadly. The same idea of free trade was put forward by the Federal Postmaster-General twelve months ago. It is safe to say that the proposal will be discussed on its merits without any fear on the part of New Zealand that commercial union may lead to political union. But the history of the treaty arranged in 1906 by Mr Seddon, just before his death, does not promise that any new treaty will be other than very limited by its scope. The fact is that the New Zealand Parlia 583

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almost unanimous vote refused to ratify the Seddon treaty which was by no means a free-trade treaty, and yet Mr Fisher says its fault was that it did not go far enough. Unless he means that the concessions offered by Australia did not go far enough his chances of success in this venture are very restricted. In primary products both the Dominion and the Commonwealth find a hungry and evergrowing market on the other side of the world, and have little occasion to look to each other for raw material. Except for the hardwood timbers which New Zealand gets from Australia, for softer timbers and occasional supplies of oats which Australia gets from New Zealand, and for the wines and fruits which Australia can offer New Zealand, the items on which a bargain can be struck do not appear numerous. As regards manufactures, neither country has reached the exporting stage to any marked extent. In any case, the large scale production which results from the greater population and wealth of Australia would probably swamp New Zealand industries or lead to their transference to the larger Australian centres. Meanwhile the utmost goodwill has been displayed by New Zealand towards a fiscal treaty, and the only obstacle to immediate negotiations is the instability of New Zealand political parties.

By far the most important item in Mr Fisher's list of overtures is that of a joint naval agreement. Here is ample room for friendly discussion and wise counsel, for it is absurd to suggest that New Zealand is irrevocably committed to its present policy of an annual subsidy to the British Navy. The fact is as has been frequently stated in the ROUND TABLE that the New Zealand Parliament has never had an opportunity to discuss the question, as its representatives never announce their views till they leave for the Imperial Conferences, and never discuss them when they return. The whole question of New Zealand Naval policy was outlined in the ROUND TABLE for December, 1911, and the question was there raised as to whether New Zealand has acted wisely in refusing the Australian invita-

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tion to join hands in the establishment of an Australian fleet unit. The Australian correspondent of the ROUND TABLE will no doubt furnish its readers with a reliable view of Commonwealth opinion on the matter. But if the views expressed by the *Melbourne Age* are in any way representative of Australian opinion, the outlook is not hopeful for an impartial consideration of the problem. That paper scornfully and almost hysterically repudiates the suggestion that the Australian people are yearning for naval union. "Time was," it says, "when we would have gladly accepted New Zealand as a full partner in the Australian Federation. But she spurned our offers and solicitations and deliberately elected to work out her destiny on independent lines. When Australia, looking with a penetrating gaze into the future, started to build a navy of her own, New Zealand drew her skirts aside." The article goes on to compare the self-reliance, self-containment and self-defence of Australia with the attitude of New Zealand, which is to "hire her defence from Britain." It declares that all New Zealand can offer to Australia is a money gift, and that the people of Australia would be madmen to accept it. The Australian navy has been designed for Australian needs, and "cannot possibly be wrought to minister to *alien (sic)* needs except at the expense of a complete economic and constitutional revolution." In view of this style of argument it is comforting to find Mr Fisher declaring with emphasis that "the views of the press are no safe guide to the political thought of the sober-minded citizens of this great country," even though his declaration was made before the article was written. For if New Zealand is to be condemned for "hiring her defence" from Britain, and, at the same time, is to be excluded from joining forces with Australia, what course is left to her? She may have all the material for an independent national existence, but no one has yet suggested that her development has proceeded far enough to justify her in running a navy on her own account. The nexus established by a cash payment to Britain is not the most satisfactory, for,

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as Lord Selborne said in 1902, it is merely the relation of the man who pays to the man who supplies. But until some form of Imperial Federation is created it is the only feasible plan for New Zealand, unless it is allowed to join in the Australian scheme. No doubt on a joint naval agreement New Zealand would want a share in the control of the fleet unit, and it is, maybe, the consideration of this difficulty which has driven Mr Fisher to conclude that the simplest course is for New Zealand to join the Australian Federation as a full member. But could not a common Australasian Council be created for naval control, pending the coming into existence of an Imperial organization? At any rate the present divergence of policy between New Zealand and Australia is cumbrous and unsatisfactory. It is not sufficient for the *Age* to declare that Australia's navy is required for Australian needs without recognizing that one of the vital needs of Australia is that New Zealand should be as secure as Australia. The danger of New Zealand is the danger of Australia, and it is incredible that anyone can be blind to the fate of Australia if New Zealand became the base for a hostile fleet.

It is true that most of the New Zealand papers have declared against any change in our present naval policy. But it is by no means improbable that if the question were fully discussed the alternative of joining forces with Australia might not be seen to be the sounder policy. For that reason Mr Fisher's overtures should be welcomed to the point at least of impartial discussion. We may not listen to his preaching of the gospel of federation, but there is no reason why we should decline to hear him on the question of a naval agreement.

New Zealand. March, 1912.

THE ROUND TABLE

A QUARTERLY REVIEW OF
THE POLITICS OF THE BRITISH EMPIRE

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NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the sole charge of local residents, who are also responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

INDIA AND THE EMPIRE

I

THE great Durbar is now long past. It was, perhaps, the greatest spectacle ever seen. Never before has homage to a king combined the disciplined and orderly ceremonial of the West with the gorgeous pageantry of the East on so vast a scale, or been witnessed by so great a multitude. For the Durbar was seen not by the crowds at Delhi alone: science has made the scene, with all its brilliance of sun and colour, familiar to the peoples of the world.

After the Coronation displays the Durbar has been taken rather as a matter of course by the mass of the British people. They have wondered at its magnificence; they have marvelled that a simple pageant should mean so much to India—that thousands should prostrate themselves in humble adoration before the throne where the King's Majesty had sat. But the British are a matter-of-fact race, and they have been content to accept the explanations of those who are reputed to understand these things.

But to many the Durbar has awakened an uneasy sense of misgiving about their responsibility for the country where such things are possible. An island peopled by democrats, critical as never before of the customs and institutions of the past, is linked with a mediaeval land, where many of the forms of government are similar to those practised in Europe five centuries ago. In the turmoil of public life there is not much time for speculation about the problems which such a connexion involves, and we have been born to regard British rule in India as the natural order of things. But the Durbar, following on anarchical unrest, has raised

INDIA AND THE EMPIRE

the spectre of the future. Whither are we drifting? Can the existing relations between two countries, one containing 45,000,000 human beings, the other 315,000,000 of a different colour, a different civilization, a different status, continue indefinitely? No such partnership can have its terms revised, or be severed without tremendous effects on the vital interests of both sides.

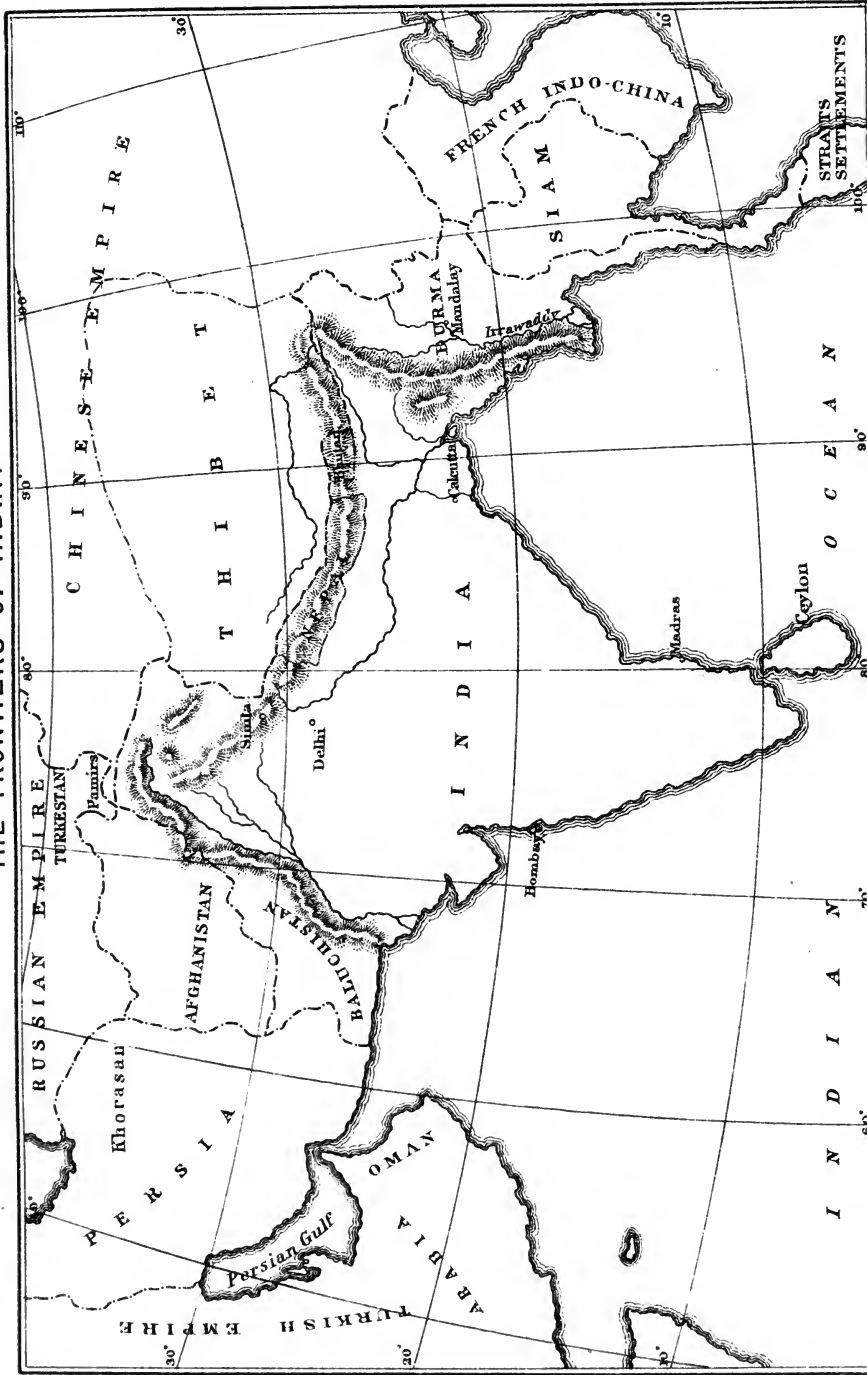
This paper is an attempt to answer the questionings aroused by the Durbar; to explain why the British are the rulers of India, how they have governed it, and what, if any, are the principles which must determine their future policy towards it.

II

THE history of nations is determined by three main forces, the natural temperament of the people, their geographical environment, and their contact with other peoples. The inhabitants of India, while they can in no sense be said to be a nation, exhibit certain common characteristics which clearly differentiate them from all the other great groups of humanity in Asia or elsewhere, and which are the product of these three forces.

Indians, like the rest of us, are a compound race, in which there are three main strains: the Dravidian, which represents the earliest known population of India; the Mongoloid, or Chinese; and the West Central Asian, of which the Aryan is the earliest and best-known branch. Of these the Mongoloid is not an important branch, for, though dominant in Burma, it does not penetrate into India further than Bengal. The early Dravidians appear to have been a backward race, living under a tribal system of government, with no elevated ideas of religion. They were dark in colour, hardy and vigorous, and in modern times pure specimens of the race respond readily to civilized influences. But when history first casts its light upon the scene, the fair-skinned Aryans were supreme. They had marched upon the plains of

THE FRONTIERS OF INDIA.



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INDIA AND THE EMPIRE

India from the north-west, and subjugated the Dravidians by driving them into the Himalayas to the north and to the highlands and hills of the south. To judge from their Sanskrit literature, the Aryans were an active, industrious and highly intelligent people. From the earliest times they exhibited, like the Greeks, a marked tendency to speculative thought, which is clearly shown in their religious writings.

Geography, however, has played an even greater part in moulding the habits, character and history of the Indian people. India proper is a territory of irregular diamond shape, about the size of Europe without Russia. The two southern sides of the diamond are bounded by the sea, the northern by the rampart of the Himalayas, the north-western by the highlands of Afghanistan and Baluchistan. Burma, separated by great rivers and impassable forest-clad ranges of hills running north and south was never part of India, until the exigencies of administration compelled the British to bring it under the same government. The diamond of India falls into two natural divisions. The northern half consists of the great alluvial plains, watered by the Ganges to the east, and the Indus and its affluents to the west, and stretching level, rich and highly cultivated, in a vast crescent, about 300 miles wide. These plains contain to-day and always have contained a majority of the population of India. The southern half consists of a great highland known as the Deccan, roughly of a triangular shape, with its apex to the south. The population tends to congregate most thickly on the coast, and along the banks of a few rivers, for the rest of the country is hilly and often difficult to cultivate, and much of it is jungle to this day.

The whole of this vast territory is subject to the dominion of climate to a degree incomprehensible to the stay-at-home European. The sun is a tyrant imposing the strictest laws on the habits of the people. In the hot season mankind has to flee before it, to lie prostrate and idle in the midday shade. The heat it generates saps appetite and energy and lays hands upon the sleep of an exhausted

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people. Even in winter the sun is strong enough, except in the extreme north, to drive away invigorating frost. It never abdicates, save to the rains which in their moist intensity are more enervating than the torrid dryness of the summer heat. The soil is rich and gives an easy and abundant return to the labour bestowed upon it, but even here the sun steps in to assert its rule. Where water cannot be brought from the great perennial streams or wells, the chief crops are dependent on the annual monsoon rains. Unless they arrive to time, the sun devours every stalk and blade, and then his toll is heavy indeed, for just because the normal return is high, and the population it sustains great, crop failure means privation to millions. To the villager the years of famine are still the landmarks of history. But the tale of the sun's exactions is not yet complete. Wherever standing water is to be found it breeds myriads of insects and microbes, adding a new scourge to a long suffering people, and to years of famine must be added years of devastating pestilence and plague.

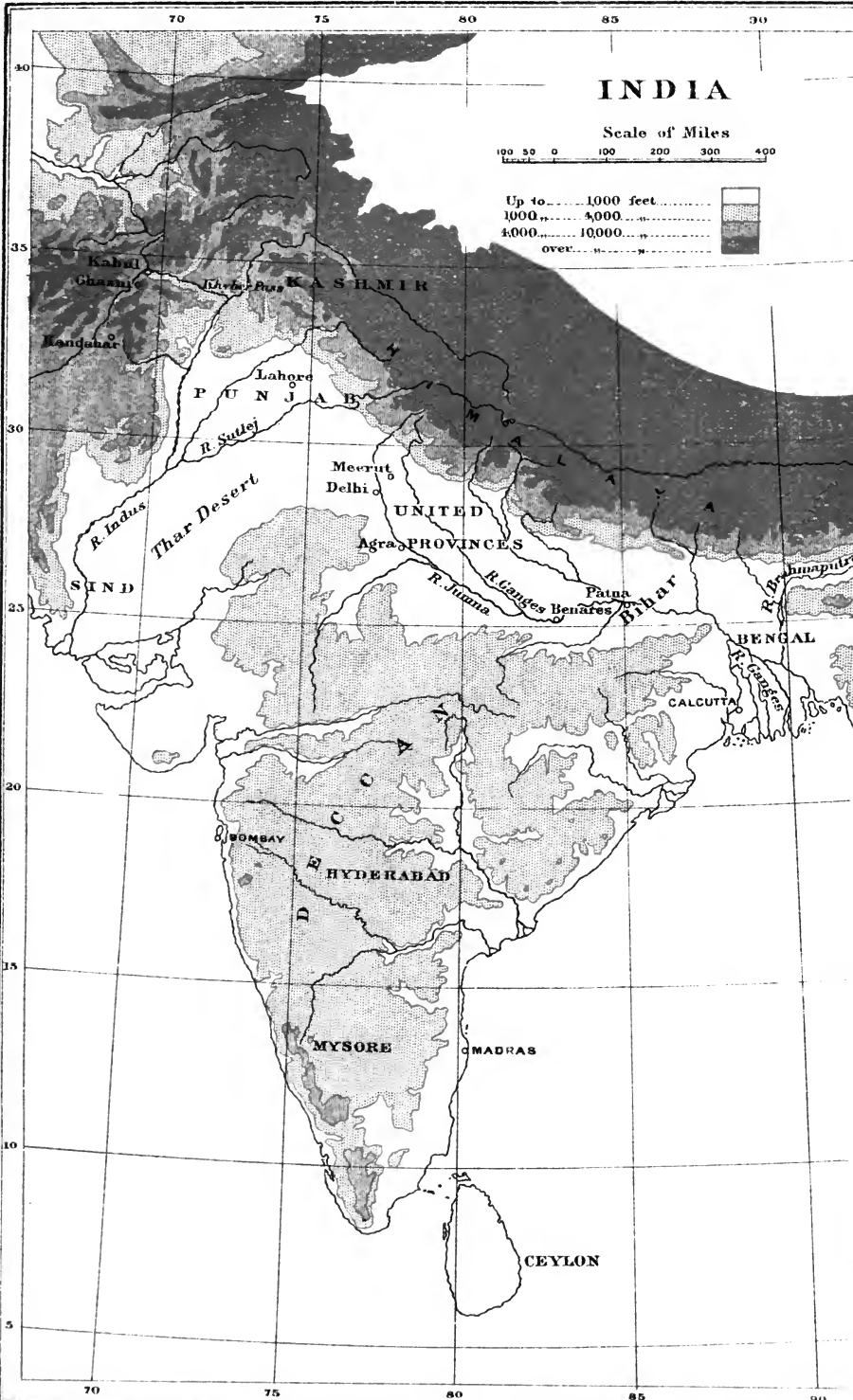
Geography, however, has not only endowed India with an overpowering climate. For so large an area India combines an exceptional ease of internal communication with an extraordinary isolation from the outside world. Travel has always been easy from one end of India to another. There are no impassable or even difficult rivers or hills. The country is seamed with roads and tracks for man and beast. Food is everywhere plentiful, and Nature affords the warmth which travellers in more rigorous climates have to seek indoors. But except for the passage through Afghanistan, India till recent times has been isolated from her neighbours. In days when bold excursions across the ocean were impracticable, coasting voyages led to no other civilized land. The desert and the barren highlands of Baluchistan closed the route along the coast from the west. The Himalayas and the forested hills of Burma were so impenetrable a barrier to the north and east that the Chinese pilgrim, Hiuen Tsiang, who came to visit the Buddhist monasteries of India about 550 A.D., travelled over the Pamirs so as actually to reach

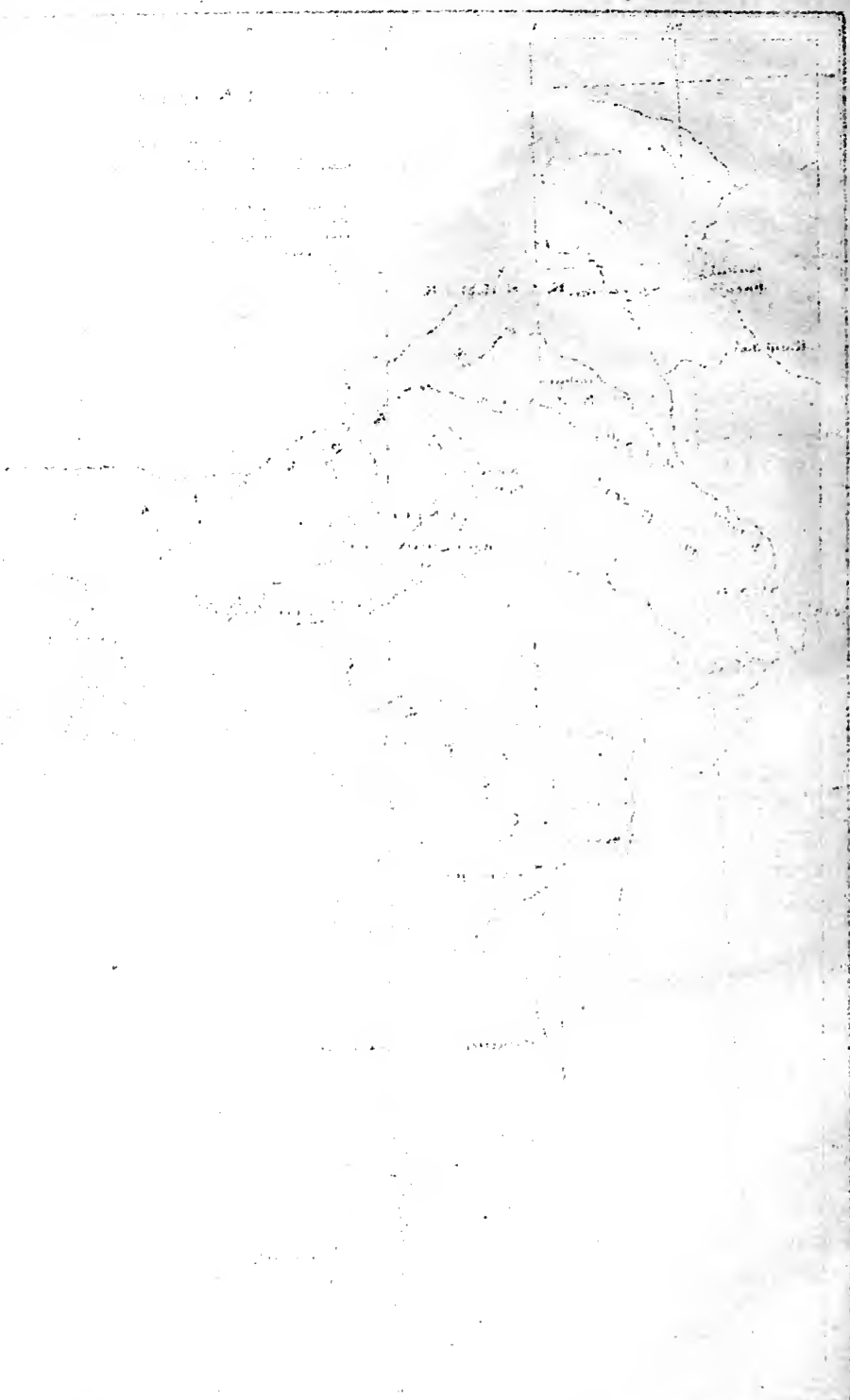
INDIA

Scale of Miles

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Up to 1000 feet
1000 4000
4000 10000
over





INDIA AND THE EMPIRE

India from the west. Afghanistan was the sole road to India till Europe mastered the seas.

As a result of this geographical isolation the contact of India with other countries has been exceptionally small. For not only was there but one overland road to it, but that road led to a land which has always been the most barbarous and unsettled in the world. The territory comprised in Turkestan, and the southern steppes, in Khorasan and north-east Persia, and in Afghanistan has been called the nursery of the nations. So in a sense it is. It is not that vast populations have there been brought to birth; it is rather that, while the country is healthy and invigorating, the food supply is normally insufficient for its rapidly increasing peoples. These, therefore, have perpetually to migrate elsewhere, either in dribbles, or when united under some masterful leader as a devastating and conquering horde. They have radiated east, south and west to China, to India, to Persia and Syria, and across Russia to Europe. Thus the country has always been in a ferment. It has produced no stable society, no civilization of its own. Till the Russian bear crushed its spirit in his own inhuman way, it has been a perpetual spring of hardy barbarous fighters flowing down to land richer than their own. Thus India's contact with the outside world has for the most part been contact with totally uncivilized barbarians, hard fighters and hard livers, with the virtues of their kind, but capable of giving India instruction in nothing but the sword.

We have now the main forces which have moulded the broad lines of Indian history. At its commencement we find an intelligent and comparatively civilized white race settled in India, more thickly in the north than in the south, and ruling over a subject race of dark complexion and inferior attainments. The country in which they live is rich, but has an overpowering and enervating climate, and is subject to terrific visitations of famine and disease. It is also extraordinarily isolated. As a result India must be classed among the countries in which have been developed an original

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civilization. Like Egypt, Greece, Rome and England, not being a thoroughfare of the world and thus comparatively immune from invasion from outside, at any rate from the east and south, it has possessed that stability in local conditions required by a plant of so slow a growth.

The nature of that civilization has been pre-eminently speculative, peaceful and humane. Religion has always exercised a dominant influence upon it. The climatic hindrance to physical activity encouraged the natural speculation of the Aryans, while the iron rule of the great forces of Nature, and their wholesale destruction of human life, gave to their religious ideas a resigned and fatalist aspect. What is the use of foresight and experiment where famine or pestilence might snatch away the fruits of enterprise? Is it not better to plod steadily along in the well-trodden paths of custom, obedient to the will of heaven, striving after individual perfection, in order that at death man might escape a renewal of this tormented mortal life?

The nature of such a religion, the fertility of the soil, and the difficulty of adjusting the relations between an upper and a lower stratum divided by colour, profoundly affected the social side of Indian civilization. India's two chief creations in this field have been the village community and the caste system. The village community was a highly complex organism, admirably adapted to the circumstances of Indian rural life. It provided within itself a complete and adequate machinery for the conduct by the village elders of local affairs, including justice, as well as for cultivation of the communal estate. It had a hierarchy of blacksmiths, watchmen, medicine men, and other workers, in addition to the village accountant and head man. It produced a level of skill in the arts and handicrafts which has always been justly famous. The immense majority of the inhabitants of India, probably over ninety per cent, have always lived in these villages. They are scattered all over the country, a few miles distant one from the other. Their inhabitants number from a few hundreds up to two or three

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thousand. Even to-day towns containing more than five thousand inhabitants are astonishingly rare.

The caste system is mainly the outcome of the efforts of the Aryans and their fellows to preserve the purity of their blood and religious traditions. In course of ages, living side by side, the subject Dravidians had to be incorporated in the Aryan polity. But the Aryans attempted to preserve their predominance by insisting that the right to practise the higher occupations and to impart the truths of religion, could be transmitted only by heredity, and they punished with social ostracism any who dared to pollute the purity of their blood by marrying outside their caste. The Dravidians in their turn copied the custom of the Aryans, and formed themselves into lower castes for the inferior trades. Caste has always been connected with religion, for upon its laws depends the priestly supremacy of the Brahmin class.

In India political institutions have never developed beyond the rudimentary stage. Politics is the science of change, and though there has been much steady development in the realms of thought and custom, there has seldom been need in India for abrupt change. The village community provided for most of the ordinary requirements of a peaceful agricultural society. The need for some higher authority to maintain law and order, to put down bandits, and to settle disputes involving more than one village, was vaguely recognized. But in a country where enterprise was uncommon, even among rogues, and where invasion from outside was infrequent, hereditary princes and nobles sufficed, long after they had been proved wanting in Europe. These potentates too though, as usual, they looked to the privileges rather than to the duties of their station, were seldom cruel or rapacious. The climate, like their social and religious ideas, tended to make them embrace the attractions of ceremonial display rather than conquest and an extended rule. They fought vigorously among themselves, but their quarrels did little to disturb the even current of village life, and their exactions were not a

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sufficient hardship as compared with Nature's, to compel a fatalist and unenterprising people to contrive a better political system for themselves.

In consequence India has always been at the mercy of a strong conqueror. The local princes have had neither unity nor real strength. The people have been unwarlike, and have regarded high politics as beyond their ken. Their business has been to work in the fields, to take their share in the life of the village and to fulfil their duties to their family, their caste, and their gods. Indeed, the history of India is unintelligible until one realizes how tide after tide of conquest has rolled over the country from the north-west, and yet how little change it has made until our time. Invader after invader has swept into India plundering and slaughtering, dynasty after dynasty has arisen to appropriate and enjoy that share of the crops which immemorial custom has set aside for the ruler; but for the mass of the people things have gone on unchanged. Conquests and palace revolutions have been surface ripples. The deep waters of Indian life, its customs, its religious ideas, its mode of life, have remained unstirred.

III

THE history of India begins with the sacred writings of the Aryans—hymns, rules for ritual and ceremonial, and philosophical speculations. A thousand years B.C. we find the following guide to conduct: "Speak the truth. Practise virtue. Do not be indifferent to the attainment of greatness. Do not neglect your duties to the gods or to your parents. Give alms with a willing heart. Give wisely. Give with modesty. Give with fear." From this time, too, dates this philosophy: "The good, the pleasant, these are different things. They who accept the good alone are wise. They who prefer the pleasant miss life's real aim." "To the man without under-

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standing, thoughtless, and deceived by wealth, the future life is not revealed. He who thinks this world alone exists, and the future is not, must yield himself to death time after time." "True knowledge cannot be gained by reasoning. It is subtler than an atom and beyond the ken of reason." "The wise man who has realized truth, gives up both joy and sorrow." "The real self is neither born nor dies. It is unborn, eternal, everlasting." There was a more popular religion for the multitude embodied in two great Homeric epics chronicling the exploits of early mythical heroes, the Mahabarata inculcating the virtues of chivalry and courage, the Ramayana domestic virtue and affection.

The first historical event that can be chronologically fixed is the life of Buddha, who lived about 550 B.C. Buddha was a religious reformer, who founded one of the greatest religions of the world and exercised a profound influence on Hindu thought. He led a revolt against the growing tyranny of caste and the increasing insistence on ceremonial by the priestly Brahmin class. He was a mystic, believing that life was a misfortune and that man was doomed to a recurring series of lives until he proved himself worthy of annihilation. This consummation was to be attained, not by ceremonies and prayers, but by works, by right thinking, right actions, self knowledge and meditation.

In 326 B.C. the slow philosophic current of Indian life was rudely disturbed by the invasion of Alexander the Great. Alexander did not penetrate very far into India; he reached the neighbourhood of the modern Lahore, only to evacuate the country for good the next year. Yet he produced far-reaching effects. Out of the confusion he caused arose the first great Indian Empire founded by Chandra Gupta, with its capital at Pataliputra, which is now Patna, the capital of the new province of Bihar. This Empire included Afghanistan and all India save the extreme south. The administration was autocratic, but it was sufficiently good to enable Chandra Gupta to hand it down unimpaired to his famous grandson Asoka (272 B.C.).

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With Asoka the Indian genius reasserts itself, and the political interest gives way once more to the philosophical. A convert to Buddhism, he directed his great abilities to the propagation of truth rather than to the business of administration. Asoka defined clearly his typically Indian idea of the position of a ruler. "The object of all my exertion is simply to acquit my debt to living beings, so that I may make some of them happy in this world, and that hereafter they may attain heaven." "Whatsoever exertions I have made, all are made with a view to the life hereafter, so that every one may be freed from peril, which peril is sin." His greatest edict was the Law of Piety, which declared that every man was bound to cultivate the virtues of self control, purity of mind, gratitude and fidelity, and to abstain from the vices of rage, cruelty, anger, pride and jealousy. He was also constantly to practise self-examination and be strictly truthful. These and similar injunctions were inscribed on pillars and rocks throughout India, so that all might know the truth. Asoka also built a number of monasteries to house itinerant monks whose duty it was to preach the truths of the Buddhist religion. The remains of these monasteries, as well as Asoka's inscriptions, are still to be seen in all parts.

Asoka, however, was also an administrator. The country was divided into four chief satrapies. It had an efficient standing army, said by Pliny to have numbered six hundred thousand infantry, which was managed by six boards, for transport, commissariat, elephants and so forth. Pataliputra, a city of four hundred thousand people, was governed by a municipal council of thirty, one of whose functions was to make a register of births and deaths. There was a complete hierarchy of magistrates, as well as a body of censors, to promote the observance of the Law of Piety. India was said to be peaceful, prosperous and well governed in his day.

But the empire of Asoka depended upon the personality of the sovereign, and under his successor it rapidly fell to pieces. For the next six hundred years the political history

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of India is confused. Dynasties rose and fell, and there were fresh intrusions from the north-west. But the life of the country does not seem to have been troubled. A Chinese pilgrim, Fa-Hien, who visited India during the period, describes the people as being prosperous and well-behaved. Their taxes were light, punishments were mild, and the government good.

This period was brought to an end about 450 A.D., by the invasion of the white Huns. As before, the disturbance seems to have produced a political reaction, and the Hindu Emperor Harsha wielded power as autocratic and extensive as Asoka himself.

The six hundred years which followed the entry of the white Huns were the heyday of India's civilization. During them there were no invasions and India was left to develop on her own lines. The result was Hinduism, India's most characteristic achievement. By the reign of Harsha the social distinction between the Dravidians and their Aryan conquerors had disappeared, and Dravidian ideas and customs were making their influence felt on the earlier Aryan civilization. Hinduism, the name given to the religion professed by more than two-thirds of the inhabitants of India, is a compound of the earlier Aryan traditions, of the ideas of Buddha, and of the anthropomorphic polytheism of the Dravidian people. But Hinduism is much more than a religion. It is, in many ways, a substitute for government, as we understand it. It is a code of law. It governs minutely the daily conduct of life. It is a system of philosophy for the educated and of ceremonial observance for all.

But while India was evolving Hinduism, she made practically no advance in the political field. The traditions of caste allotted the task of government to one hereditary class, the Kshatriya, as they allotted the duty of preserving and transmitting the truths of religion to another, the Brahmin. Government was not a matter for everybody to play with. Accordingly it was during this period that the Rajputs, a number of hereditary ruling clans, arose and divided the

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country between them. They were incessantly fighting among themselves, but none among them managed to create an Empire. In spite of their bickerings, India was prosperous. Commerce flourished, industry was active, poets and pundits travelled from coast to coast; the normal life of the people went on almost undisturbed. No ruler was hardy enough to interfere with the sacred Brahmin preserve. For the rest, it was the eternal order of things that rulers should fight among themselves. The people and the clergy looked on much as they did in England in the days of feudal strife.

IV

ABOUT 1200 A.D., however, a new era arrived. The invasions from the north-west began once more, and they began in a quite unprecedented form. Hitherto they had been conducted by military conquerors like Alexander, and his feebler imitators, who entered India for the sake of plunder and dominion, or by loosely organized tribes of fierce fighting men who deserted the hills to settle in the plains. Hindu India, like Europe in the early centuries, had almost always been unable to resist these invasions by force, but had taken her revenge later by absorbing her conquerors rapidly into her religious and social system.

The new invaders, however, came not only as conquerors in search of plunder or empire, but as the crusaders of a militant religion. They were the disciples of a prophet, the people of a book in which was written the word of God. Hinduism, while it influenced profoundly their customs and their ideas, was unable to detach them from their allegiance to Islam. To this day the Mohammedans, Indian in their habits and ways, are sharply differentiated from the rest of the population by their religious ideas. Numbering 66,000,000 as against 217,000,000 Hindus they form "an absolutely separate community—distinct by marriage, food

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and custom, and claiming in many cases to belong to a different race from the Hindus." In consequence their rule established was far more permanent than that of preceding invaders, and had far graver effects.

Mohammedan pressure began as early as 700 A.D. with a short-lived Arab conquest of Sind. Three hundred years later, Mahmud of Ghazni—an Afghan town between Kabul and Kandahar—made seventeen expeditions to the plains to plunder and destroy, between 1001–1028 A.D. But the real Mohammedan conquest of India did not begin till 1206, when Mohammed, a Turkoman successor of Mahmud on the throne of Ghazni, succeeded in making himself the paramount power from Kabul to the Bay of Bengal, and established his capital at Delhi. Before the century was out Mohammedan rulers were to be found practically over the whole of India, the greater part of the Deccan falling into their hands between 1295 and 1320 A.D.

Most of the Mohammedan rulers of India were originally Afghan and Turkoman adventurers, who collected an army of northern freebooters about them, overturned the unmilitary Hindu princes, and governed in their place. Many of them acknowledged the vague suzerainty of Delhi, but most in fact, if not in theory, were independent sovereigns. Their rule was something quite different from what India had seen before. To the fierce intolerance of their religion they added the barbarous cruelty and destructiveness traditional in their land of origin. Their objects were conquest, plunder, and dominion. They acknowledged no responsibility for the welfare of their subjects—mostly infidel Hindus—they ruled for their own pleasure, and in the name of Islam, though religion did not deter them for a moment from seizing the domains of their fellow-Mohammedans if they got the chance. The spirit in which they entered the country is shown clearly in the history of Timûr the Lame. Timûr entered India in 1398 and, "slaughtering the inhabitants of every place he passed, and firing the towns, he

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advanced upon Delhi. The Indian army was defeated and Mahmud (the Delhi Emperor), fled to Gujerat. Delhi surrendered and Timûr was publicly proclaimed Emperor of India. An awful massacre and a sack and conflagration of the city, which lasted for days, followed. The march was then continued to Meerut where there was a great massacre." Thence Timûr turned back and left India to look after his conquests to the north, "leaving anarchy and famine and pestilence behind him." The Mohammedan rulers, it is true, gradually lost their Central Asian barbarity in Indian surroundings, but their government, for religious reasons, remained harsh and unsympathetic, and India, in their day, was turbulent as it had never been before. Thus between 1206 and 1526 there were thirty-four kings of Delhi, whose average reign was only nine and a half years, and of whom twelve were deposed, assassinated, or killed in battle.

The outstanding result of the Mohammedan conquest has been that from that time onward Hindu civilization has been stagnant. It remained almost entirely unaffected by Mohammedan ideas, but, with minor exceptions, on which it would take too long to dwell, the period of its highest development and growth came to an end with Ramaniya, the last Hindu reformer, in the twelfth century. In India, as elsewhere, Mohammedan rule in Turkoman hands has been like a blight over the land. The Mohammedans have been active and vigorous, and have exhibited many of the robust virtues which the Hindus have lacked, but, with one exception, their idea of government has been limited to personal autocracy, while belief in progress or the value of a liberal civilization has been barred by a literal acceptance of the injunctions of the Koran.

That exception was the Mogul dynasty, whose history must be examined in more detail, because its overthrow heralded the British occupation. The Mogul Empire was founded in 1526 in the good old style by Babar, a picturesque and poetical ruffian of genius descended from both Genghiz

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Khan and Timûr the Lame. After a stormy early life, in which he lost one kingdom in Ferghana and founded another at Kabul, he saw that the strife of the Mohammedan rulers in the plains of India gave him his opportunity of carving out a kingdom for himself. In his memoirs, a book crammed with picturesque adventures, occur the following passages: "On Friday, September 1, 1525, I set out on my march towards Hindustan. Great and small, good and bad, servants and no servants, my force numbered twelve thousand persons." "I placed my foot in the stirrup of resolution and my hand on the reins of confidence in God, and marched against Sultan Ibrahim . . . in whose possession the throne of Delhi and the dominions of Hindustan at that time were; whose army in the field was said to amount to ten hundred thousand men." Babar was completely victorious and established himself firmly as Emperor of northern India.

The liberal genius discernible in the memoirs of Babar found expression in some of his descendants. Akbar, his grandson (1556-1605), one of the greatest men who ever lived, entirely reversed the methods of his Mohammedan predecessors. He recognized that the weakness of the earlier emperors of Delhi had sprung from three causes—the liability to invasion from the north-west, rebellious military governors, and Hindu disaffection caused by oppression. Accordingly he created a standing army sufficient to protect his frontiers and overawe his subordinates, he entrusted the work of administration to civilian, not military, officials, regularly paid, and he abolished all discriminations against the Hindus. He had a high conception of the functions of a ruler, and based his policy on two principles—that it was his business to govern in the interest of the people, and that there should be equal toleration for Mohammedans and Hindus alike. He organized his administration in three departments, military, judicial and revenue. When he was on campaign he did not seize his supplies but paid for everything he took. Inland tolls were abolished, famine was

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provided against, irrigation works were undertaken. He introduced an entirely new system of dealing with land revenue, which is continued substantially unchanged by the British to this day. He introduced many needed reforms. He prohibited "suttee"—the burning of widows. Slavery was resolutely suppressed. Child marriages were made illegal. The remarriage of widows was declared lawful. Animal sacrifices and trial by ordeal were forbidden.

Akbar was the one Mohammedan prince who attempted to revive the vitality of Indian civilization, and he set to work to do so by breaking down the old barriers between Mohammedans and Hindus. He abolished the tax on non-Mohammedans, he married his sons to Hindu princesses, and he employed Hindu officials throughout his service. He encouraged poets, architects, and philosophers to flock to his court, and the edifices built by himself and by his grandson, Shah-jahan, rank with the finest monuments raised by man. He loved to listen to philosophical and religious disputes in his palace in Agra fort, and encouraged the utmost freedom in the expression of opinions. His religious ideas were tolerant and profound. "I will," he said, "cut no man off from his own mode of intercourse with his maker." They were clearly influenced by Hindu thought, and are represented by the following verses inscribed by his minister, Abu-l-Fazl, on a temple in Kashmir, "O God, in every temple they seek thee, in every language they praise thee. Each religion says that it holds thee. But it is thee that I seek from temple to temple, for heresy and orthodoxy stand not behind the screen of thy truth. Heresy to the heretic, orthodoxy to the orthodox, but only the dust of the rose petal remains to the seller of the perfume."

But the rule of Akbar like that of Asoka and all great Indian princes centred in the person of the emperor. There was no informed electorate as in the West to-day. There was no hereditary ruling class as in Great Britain before the Reform Bill. The whole machinery of government derived its motion from the emperor alone. With Aurangzeb

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(1658-1707) the last of the great Moguls passed away, and he, so far from carrying on the work of Akbar, destroyed it. He centralized government in his own person even more completely than Akbar had done, and, being a bigoted Mohammedan, he revived the old discriminations against the Hindus. He had not even the saving grace of being a patron of art, which he thought with Mohammed was sacrilegious. One day he met a funeral procession, and on asking who was dead, was told Music, which he had forbidden at court. "Good," he replied, "then let her be buried deep."

By the end of his reign Aurangzeb had undermined the Mogul Empire. His bigotry had roused the Hindus to revolt, and his constant wars against rebels had imposed an unbearable burden on the people. His revenue from land alone was £43,000,000, or more than twice the sum raised by the British to-day. After his death India sank into indescribable confusion. A medley of minor powers struggled for existence or predominance. Religious differences lent acrimony to the strife. The invasions from the north-west, long unknown, began once more. Nadir Shah, a Turkoman ruler of Persia and Afghanistan, and Ahmed Shah, an Afghan king, invaded India in 1739-1741 and 1761, though they established no permanent rule. Probably never was there so much widespread destruction and suffering in India before.

What would have happened if India had been left to herself it is impossible to say. Aurangzeb had no successor capable of restoring discipline to the armies, and order to the finances, and within fifty years the Mogul Empire was but a name. The Hindus were everywhere in the ascendant, the Marathas to the south, the Sikhs in the Punjab and the Rajputs in the territory between. The Mohammedans were in a minority, their vigour had been undermined, and unless they had obtained new blood from the north-west, their political supremacy would probably have to come to an end. But before the issue could be decided an entirely new

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power appeared upon the scene, which was strong enough to impose upon India its own solution of her problems. In 1765 Clive had accepted from the titular Mogul emperor the direct administration of the revenues of Bengal, and a first-class European nation thus became an important territorial power in India. What were the causes which led to its appearance?

V

DESPITE the geographical isolation of India, there has always been a considerable trade between India and Europe in jewels, the precious metals, embroidered stuffs, spices and essences of all kinds. In early times these articles were borne in coasting vessels from southern India to the head of the Persian Gulf or the Red Sea, to be carried overland to Constantinople or the Mediterranean. Pliny says that in his time some of the vessels plying in this trade were capable of carrying as many as three thousand amphorae.* The rise of the Mohammedan power in Arabia gravely interfered with this traffic, which was gradually diverted to the north, progressing laboriously on the backs of camels and donkeys across Afghanistan and northern Persia, or even round the north of the Caspian and Black Sea to Constantinople. At this time, says Finlay, the historian of the Byzantine Empire, "the commerce of Europe centred at Constantinople . . . more completely than it has ever done since in any one city." But the rise of those Turkoman powers, whose devastating entry into India has been recorded, had the effect of closing the ancient trade route between India and Europe. For a time the crusades restrained the flood of Turkish conquest, but in 1453 it broke through the half-hearted resistance and, capturing Constantinople, finally closed the ancient traverse to the east.

The rise of the Turks alarmed the conscience at the same time that it damaged the pockets of Europe. As long before

* About 110 tons,

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the capture of Constantinople as 1418 Prince Henry of Portugal, the Navigator, resolved to devote the rest of his life to discovering the means of reaching India by sea. His objects were threefold: to take the Mohammedans in rear, to spread Christianity among the infidels, and to restore the fortunes of Portugal by reopening the ancient trade with the East. Prince Henry died in 1460, but in the meantime he had contrived a type of vessel fit to withstand the storms of the Atlantic, and before the end of the century his labours had borne fruit in the discovery of the sea route, both to India and America. By this time the Turkish danger had died away and the religious motive had given way to the commercial. The trade proved extremely lucrative, and Spaniards and Portuguese were soon in active rivalry for the lion's share. This led to fierce disputes, for, according to the ideas of the time, the right to trade was a monopoly of the first discoverer and was no more an international privilege than is colonization to-day. The matter was referred at the end of the century to the arbitration of the Pope, the international authority of the day, who settled it wisely enough by allotting Africa and India as private trading ground to the Portuguese, and America to the Spaniards.

Half a century later, the northern nations of Europe, and notably the English and the Dutch, awoke to the value of trade with the newly discovered portions of the earth. The prosperity of the Tudor days, and the new ideas disseminated by the Renaissance, stimulated a spirit of adventure which found congenial expression in plundering Spanish galleons on the high seas. The Reformation gave the English an excellent excuse for ignoring the title conferred by the Papal bull, and it was not long before their intrusions into what the Spaniards regarded as their private property aroused the wrath of the Spanish King. Two events brought the quarrel to a head. Queen Elizabeth recognized the independence of the Dutch Republic in 1578, and in 1580 Philip II of Spain annexed Portugal and all her foreign possessions and trading rights in the east. The defeat of the Spanish Armada in 1588

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not only preserved the freedom of England and gave her command of the sea for the first time, but also opened the road to the Far East. The Spaniards still professed to regard trade with the Indies as part of their sovereignty. They treated the Indian seas as territorial waters, and attempted to prevent the creation of any ports upon the Indian shores but their own. But, with their sea power shattered, they could not sustain their claim in practice and, before the seventeenth century was very old, it had tacitly lapsed.

By this time the whole trade between India and Europe had been transferred from the overland route to the sea. It was immensely lucrative. A single ship to the Clove Islands in 1606 made a profit of 236 per cent, and goods costing £356,000 in India were sold in England in 1622 for £1,914,000. But if the Spanish claims had been indignantly repudiated, the era of free trade ideas had not begun, and the fiercest competition set in between the various trading companies. One and all claimed monopoly of the trade with the area served by their factories and ports. The nature of the struggle was very different from what we understand by commercial competition to-day, and rival companies thought little of seizing one another's factories and ports when strong enough to do so. "The extent," says Sir Alfred Lyall, "to which unofficial war was practised from the sixteenth to the eighteenth century by the roving nations of Europe is hardly perhaps appreciated in this age of international law and ubiquitous diplomacy." The governments did not regard themselves as directly interested in trade, and the company charters practically amounted to licences for private war. Thus an early treaty between France and Spain provided that westward of the Canaries *tout serait à la force*.

Early in the seventeenth century the Spaniards concentrated their attention on the gold and silver mines of Peru and their other American possessions, and the enterprise of the Portuguese began to fail under Spanish rule. In consequence the English and the Dutch were left as the chief rivals for the trade with the East Indies. But towards the

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end of the century a complete change in the situation was brought about by the appearance of a new competitor, France. Hitherto the relations of England with India had affected her trade alone. They now began to affect her national existence. For the appearance of the French was not prompted merely by the desire to share in the profits of the East Indian trade. It was part of the scheme conceived first by Richelieu and later adopted by Louis XIV for establishing a world-wide dominion. To achieve their object Louis and his ministers recognized perfectly well the necessity not only of extending their possessions abroad, but of fostering their overseas trade, which was one of the main sources of their revenue. Leibnitz in 1672 presented to Louis a document in which he counselled him to seize Egypt as the best method of obtaining control of the invaluable Eastern trade, "for the king only requires to acquire command of the sea, and to possess a large foreign trade, in order to become the arbiter of the affairs of Europe."

The struggle with France began in 1690. The first stage, which ended in 1713, was caused mainly by events in Europe, the espousal by Louis of the Stuart cause after the revolution of 1688, and his attempt to establish a French predominance in Europe by uniting the crowns of France and Spain. It did not directly concern India but it had one important effect there, inasmuch as the Dutch were so weakened with their struggles against the French in Europe that they were never able to recover their position in the East.

The second and more important stage opened in 1741. Though the war began over the succession to the Austrian throne, in reality it was the outbreak of a struggle long inevitable between France and Great Britain for predominance in India, in America, and on the high seas. In this contest, which did not end till 1763, the British were entirely victorious, partly because their command of the sea deprived the French of reinforcements and supplies in India and America, and partly because the French resources were

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exhausted by their endless dynastic wars upon the Continent of Europe.

The defeat of the French by sea had decisive results in India. Since the beginning of the eighteenth century a complete change had come over the Indian situation. In early days the right to trade had generally been obtained by a "firman" from the Mogul emperor, and any attempt on the part of a European trading company to annex territory would certainly have invited disaster. By the middle of the eighteenth century, however, the government of the Moguls had crumbled into ruin. Even as long before as 1687, during the last stormy years of Aurangzeb, the Directors of the East India Company, distracted by the growing lawlessness of the country, had resolved to assume independent jurisdiction within their own settlements and ports and to enlist militia to defend them from attack.

Fifty years later both French and English trading companies had come to regard their ports and coast settlements as territorial possessions. By the time that war broke out in Europe rivalry between them had become exceedingly acute, and Dupleix, the Governor of the French company, determined to avail himself of the outbreak of hostilities to win a final victory for his company and his nation, by turning the British, bag and baggage, out of India. For this purpose he began to intrigue with the Indian princes, who were fighting to carve dominions for themselves out of the moribund Mogul Empire, promising his help in return for assistance against the British. The British followed his example, and a struggle ensued in which the British and French companies in India, assisted spasmodically by troops from home, and in alliance first with one native prince and then with another, fought for predominance. As has been said, superiority by sea in European waters ensured the success of the British. In the course of the struggle, and after the atrocity of the Black Hole of Calcutta, England had become the paramount power in Bengal. And when it was over, the French, disgusted with colonial adventure, and already under the influence of

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Rousseau and Voltaire, abandoned altogether their ambitions in the East. In 1770 the French East Indian Company went bankrupt. Thus by 1763 the British, in control of a considerable territorial domain and possessed of the only strong and efficient army in the country, were left alone in India.

The history of the gradual extension of the British dominion over India from that point is a familiar story. For many years it was the resolute determination both of the Company and the British Government to resist extending their domain. Clive himself in 1765 said that India was within the grasp of England if she chose to take it. "It is scarcely hyperbole," he wrote, "to say that to-morrow the whole Mogul Empire is in our power. The inhabitants of the country have no attachment to any obligation; their forces are neither disciplined, commanded, nor paid as ours are. Can it be doubted that a large army of Europeans would efficiently preserve us as sovereigns, not only holding in awe the attempts of any country prince, but rendering us so truly formidable that no French or Dutch or other enemy will presume to molest us?" Despite this entirely accurate estimate of the situation, Clive declared it to be his resolute intention "absolutely to bind our possessions and conquests to Bengal."

But events were too strong. Disorder on the frontier, attacks by upstart leaders, foreign intrigues against the British by native princes, notably with France during the war of American independence and in the time of Napoleon, drove the British, step by step, to extend their influence and their domain. They attempted to rule Indian territory through dependent Nawabs, with the only result that to the disorder of Indian government was added the evil of dual control. They attempted to limit expansion by erecting barrier states, but their obligation to their allies compelled them to intervene to protect them, which they could only do effectively by assuming direct charge of their affairs. But all to no avail. India was a medley of fighting

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chiefs and captains. Brigandage was an endemic plague. How grave was the disorder may be seen from the fact that at the time there were 2,000,000 roving mercenaries in the country, mostly Afghans and other tribesmen, ready to sell their services to those who could pay, or if there was no bidder, to help themselves. In the interests of India, as in their own, the British had no option but to advance.

VI

BEFORE, however, examining the nature of British rule in India, we must note one aspect of the long struggle between the European powers for the Indian trade, which had a far-reaching effect on our subsequent policy in India.

The original motives which inspired Portuguese and Spanish expansion were three, commercial, religious, and dynastic. The early explorers and the kings who backed them wished to profit by trade, to fight for Christendom, and to acquire dominion. With the English it was different. They did not go forth to preach Christianity by the sword, or to win dominion for their king; the predominant motive for their connexion with the East from the days of Elizabeth till the reign of George II, was the desire to share in the profitable Indian trade.

This difference cannot be explained by saying that the English have the souls of shopkeepers. The cause of it is more profound. Even as early as the days of Elizabeth the English had begun to profit by their fortunate geographical position. After the Norman conquest they had never to resist any serious foreign invasion, and they were able to concentrate their undistracted attention on the creation of a stable system of government at home. By 1500, the lawlessness of the great feudal nobles, and the personal ambition of the king for tyranny at home, or expeditions in search of glory abroad, had been gradually

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curbed. The prosperity of the Tudor age and the Reformation had also quickened the sense of independence in the people. In consequence, the opening of the road to India was regarded as an opportunity for private enterprise rather than for royal conquest, and public policy was governed by the interests of the dominant classes—the nobility and the traders, and not by the ambitions of the king.

The peoples inhabiting the Continent of Europe were not so fortunately situated. They had no natural barriers like the Channel against external aggression, and, in fact, internal peace was continually upset by intrusions from outside. Strong kings, possessed of military force, were the best guarantees against these attacks, but strong kings were also able to resist the infant efforts of the people to take charge of public policy for themselves. In consequence, the policy of all the great countries of Europe, until the French Revolution, was dictated solely by the monarch and the advisers whom he chose.

The contrast between results of the dynastic policy of the continental powers and the popular policy of England is very striking. Apart altogether from such internal advantages as greater personal liberty and greater security for life and property, the English escaped altogether the exhaustion which overtook the peoples of Europe after the endless dynastic wars of the seventeenth century. England's policy, being moulded in the popular interest, was steady and continuous, not vacillating with the whims or deaths of monarchs. It looked steadfastly to real advantages, like safety for trade and country and command of the sea, instead of to the illusory glories and rewards of conquest. It regarded the Indies and the New World as fields for trade or colonization, not as territory to be annexed in order that the royal dignity might grow, and the royal revenues might be enlarged by the monopoly of gold and silver mines, and by heavy tolls on the operations of colonists and traders.

But if her democratic system of government was the chief cause of Great Britain's triumph in her struggle with the

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absolutist powers of Europe, it produced even greater effects on India. As we have seen, local anarchy impelled the East India Company to acquire a territorial domain. No sooner was this done than public opinion in England drove the British Government to take charge. For centuries the popular cry had been that the duty of the government was to consider the interests of the governed, and the national conscience soon found it impossible to reconcile these maxims at home, with the evils and exactions of the system of company rule in India. The liberal and humanitarian feelings aroused by the Wesley revival, and the exaggerations current at the time of the Warren Hastings trial, increased misgivings and forced the British Government, step by step, to assume direct responsibility for the administration of the Company's possessions in India. Though the Company did not finally disappear till after the Mutiny of 1857, the British Government had taken charge of its dominions long before.

This did not simply mean that India was endowed with a government unlike any that she had experienced before. It meant also that the impulse to expansion was multiplied a hundred fold. If it was important for the Company that trade should not be destroyed by anarchy, it was infinitely more a necessity to the Indians themselves that the 2,000,000 mercenaries should be subjected to discipline and control, that an end should be put to the internecine strife of hereditary princes and rulers, that the war of Mohammedan and Hindu for predominance should be stopped, and that their frontiers should be protected from the devastation of Afghan hordes, or the depredation of other powers. Directly the British Government assumed responsibility for India, it had to consider the interests of its new subjects as well as of its own traders. It has been the welfare of India far more than the needs of India which has forced the expansion of the British domain. It has been no less the welfare of India which has driven the Government to establish in recent years an ever-growing measure of control over that

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third of India, which has never been conquered and formally annexed, and which is still governed by independent native chiefs. British India could not progress if, side by side with its civilized administration, there were appalling examples of autocratic tyranny and misrule. Its traders and agriculturists could not be allowed to starve because reactionary rulers forbade railways or telegraphs, roads or canals to cross their territory. Peace and good government could not be endangered because native princes wished to try their hand at conquest or their skill in diplomatic negotiation with foreign powers.

Thus it was the necessity of protecting their own lives and trade, and the struggle with France, which first compelled the British to occupy territory in India. It was responsibility for the welfare of their new subjects which drove them to establish a government which could maintain peace, law and order throughout the length and breadth of India, and protect it against attack from without.

The position of the British in India, indeed, cannot be understood until it is realized that in internal policy they represent India and not England. To speak of British rule is strictly a misnomer. It is nearer the truth to say that the government is conducted chiefly by Englishmen, representing in fact, if not in democratic theory, the people of India. It is literally the Government of India. More than this, since the British assumed responsibility for the government of India, not only has their policy in India been an essentially Indian policy, but Indian interests have profoundly influenced British policy. England has become a first-class Asiatic power because her government represents India. Her policy in the East is mainly directed to protect the safety of her Indian subjects. The British Cabinet watches anxiously to-day the slow march of Russia towards the Persian Gulf, not only because the appearance of a Russian base in those waters would mean additional burdens and complications at home, but because it would threaten the safety of Indian shores, and impose a burden for naval

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defence upon the shoulders of India's peoples from which they are at present free. From 1765 down to the present day, in framing British policy in the East, the interests of Great Britain and the interests of India have been inextricably conjoined.

VII

WHEN they assumed responsibility for the government of India, the British, in accordance with the principles of government they had devised at home, confined themselves entirely to politics. They left religious and social customs alone, save where they were patently barbarous, as in the case of widow-burning. Their business was to construct a stable system of administration which would do justice impartially between individuals, and promote the material and intellectual welfare of the people. This was precisely the sphere in which India was most backward. Government in India had never passed the stage of the hereditary autocrat, and while India had produced many great rulers, it had never devised a system for perpetuating the benefits of their administration. The British supplied exactly what Indian government lacked, continuity in sound and progressive administration. Their government has been autocratic. It could not fail to be, for it is not possible to create in a day the conditions which have made democratic government stable and continuous at home, namely, such a degree of outstanding knowledge and public spirit in a popular electorate, that it can work successfully a representative system of government. The word autocratic, colourless in its derivation, has acquired an unpleasant meaning from association with its ordinary results. This reputation does not attach to the British autocracy in India. Brought up in the traditions of British public life, and freed from that strongest of temptations to stray from the path of political rectitude, connexion with local families, cliques,

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traditions, and religions, the British have conducted an administration more impartial, and more dispassionate than any Oriental country has ever seen.

They have also been vigorous to a degree unknown in India before. Resident there only in the prime of life, they lose but little of that instinct for efficiency and improvement which is, perhaps, the dominant trait of the Anglo-Saxon race. In consequence they have not been content simply to maintain law and order and to do justice among their subjects. They have thrown themselves heart and soul into the task of developing the country, and of elevating its people. When they entered India, government in the East as in the West was a comparatively simple undertaking. To-day, owing to the innumerable functions which it is expected to discharge in the spheres of transportation, communication, public health and social welfare, it is extremely complex. Every extension of government activity in the West has had its counterpart in the East. The functions of government in India are as multitudinous as they are in England. The whole of this vast machine has been the product of the initiative of the British. There is scarcely an institution or an enterprise commenced since their arrival in the country which has not been originated by them.

The achievements of the British in building railways or roads or canals, their enthusiasm for improved methods of agriculture or manufacture, their practical efficiency in administration, their impartial justice on the bench—all these things are remarkable—but they are in no sense exceptional. They can be paralleled elsewhere. What is unique is the astounding moral ascendancy of the English. A handful of Europeans, numbering but a few thousands, absolutely dominate by their presence a country containing 315,000,000 souls. To a stranger the position of the Government official is almost terrifying. It is not so much his legal powers as the moral influence he wields that is so tremendous. If there is a dispute between villagers, it is the Collector who

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must decide, or, failing him, any *Sabib*, rather than a possibly interested native arbitrator; for the *Sabib* may be stupid, but he will certainly be just. If a new road is to be made, or a nuisance removed, or an improvement built, it is the Englishman who must make the start and show the way. If it is a case of service on a municipal board, or district council, it is generally the invitation of the official, not the responsibilities or even the privileges of membership, which induces the local notables to serve. When any project is mooted, assent depends upon the answer to the universal question, "What does the Government think?"

This is not because the British have been greedy of power, or have kept initiative jealously in their hands, or have overawed the land with an obtrusive army. In part it is because in India there has been no tradition of public spirit, since princes and emperors have always been suspicious of enterprise among their subjects; in part it is due to an enervating climate; in part it is due to the absorption of the people in their own affairs and their indifference to politics and change. But mainly it is because the British have possessed vigour, knowledge, public spirit, and an impartial enthusiasm for the practical business of government, which have raised them far beyond the level of all but a very few of their Indian competitors.

As a result the British are indispensable to India. There is no other class in India to-day capable of administering the vast governmental machine. If by a miracle every Englishman were to disappear from India to-morrow, things would simply come to a standstill. The situation would be analogous to that caused recently in England by the stoppage of supplies of coal, which gave heat and energy to the national life.

But the British are also indispensable because India is still divided within itself. To the outside eye India may seem one country. In reality it is as divided as Europe. According to the census there are in India forty-three races. There are twenty-one languages in every-day use. Forty-five

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million people speak Bengali. No other language in the world can claim as many people who understand it. To the educated classes English is the only *lingua franca*, and it is always used on occasions when representatives of all India are gathered together. Even notices of lodgings to let in the sacred city of Benares are printed in English for the benefit of the poorer pilgrims. There are two chief religions, bitterly hostile to one another. There are five others, each with more than 1,000,000 adherents. There are 2,378 main castes and tribes, each of which is debarred from marriage beyond its own ranks. The area of the Indian Empire is as great as Europe without Russia, and one-third of it is under the rule of hereditary princes, sovereign in the purely internal concerns of their States, proud of their martial traditions, and intensely jealous of their dignity and powers. Out of the total population, only one man in ten and one woman in a hundred and forty-four can read and write. If the British were to leave, not only would the machinery of government decay; the discord of race, language and religion would instantly revive the old conditions of riot, revolution and war.

It is only by travelling in India that one can realize the tremendous responsibility which rests upon the shoulders of the British race. The peace and happiness of 315,000,000 souls depends upon them to-day as much as the safety and happiness of a child depends upon its parents. It is very much as if a race of men had appeared in Europe in the year 1500 from the Antipodes, had obliterated national boundaries, enforced religious toleration, disbanded the contending armies, put an end to war, and within a century had equipped the country with a modern system of scientific industry and communication, and endowed it with a government as benevolent and complete as any that exists in Europe to-day, but embracing the whole continent, and yet deriving its authority not from its subjects but from New Zealand,

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VIII

TO insist, however, that the British are necessary to good government in India is to explain but one-half of the present situation. If the people of India, intelligent and constructive in other respects, have hitherto been lacking in political aptitude, in great measure this has been because they have laboured under two great disabilities. The first has been their climate. The second has been their entire isolation from other civilizations than their own. The coming of the European from across the seas has diminished the first and removed the second of these disabilities.

Western medicine and organization have discovered how to mitigate to some extent the effects of the climate. They have done much to prevent the ravages of famine, malaria and even plague, and they have found remedies for previously incurable disease. For the rich they have invented better clothing and food, more efficient means of cooling houses, and the revivifying hill station. Intercourse with the British has opened Indian eyes to a thousand ideas of which they had no conception before. No direct attack has been made upon the strongholds of religious belief or social custom, but still the effect is immense. Scientific criticism and exact knowledge are steadily destroying prejudice and superstition, and are remodelling the methods of agriculture and industry and the habits they produce. Western literature is awakening minds long dormant to ideas of liberty and progress. The example of the English has aroused the ambition to emulate them in the direct self-regarding honesty of their ways. Caste is altering its character and gradually breaking down. The seclusion of women—a Hindu as well as a Mohammedan practice—is becoming less universal among the upper classes, though it is extending as a mark of social respectability among the lower.

It is evident that this first contact of India with the civilized outside world, after the long repression of the Moham-

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medan era, must have incalculable effects. And the pace at which the change is proceeding is being enormously increased by the methods adopted by British and Indians alike to educate the people in the thought and learning of the West. In 1909 there were 168,000 educational institutions, containing nearly 6,000,000 scholars. In the same year 12,000 students matriculated at the Indian universities. In 1911 there were no less than 1,700 Indian students in England, receiving an education infinitely more potent in its effects upon their minds than is Oxford or Cambridge on the average British boy. The general passion for Western education, indeed, is the most striking proof of the rise of a new India; for education means change, the abandonment of early beliefs, the firm conviction that man is the master of his own fate in the world, and not the powerless slave of inexorable laws—the very antithesis of the inertia and fatalism of previous days. Only a few weeks ago a leading Indian review said that the “peoples of the Orient are descending from their cold Himalayan heights of philosophic indifference, and will no longer permit it to be said by a triumphant West that

‘The East bowed low before the blast
In patient, deep disdain,
She let the legions thunder past
Then plunged in thought again.’”

It was inevitable that this movement should manifest itself in the political sphere. An Indian writer has recently acknowledged that “Orientals have learnt the deep significance of a peculiarly Western dictum that ‘Man is a political animal.’” Especially since the Japanese war and the revolutions in Persia and Turkey, Indians have put forward a growing claim “to be allowed a larger share in shaping the policy of the Government.”

Their entry into the arena in which the British have held unchallenged sway is bound to have momentous consequences. Their claim is not like that of an uneducated mass of barbarians, as some people appear to think. Previous

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pages may have given the impression that Indians were all of one level, and that the problem of the British in India might be compared to the problem of ruling the negro tribes in Africa. Nothing could be more fallacious. India is full of highly educated, thoughtful, and competent people. It has great ruling families comparable to those represented in the House of Lords. It has numberless country gentlemen exactly like the country gentlemen of England. It has professional men of the highest qualifications and standing, lawyers, judges, doctors, many of them trained in England. It has a huge hierarchy of public officials holding all but a few hundred of the topmost positions. It has a growing financial and commercial class. The potential influence of these men is prodigious. It has not been exercised in the past, because they have been traditionally indifferent to politics. They are rapidly ceasing to be indifferent, and their demand to be allowed to share in the control of public policy is not one that can possibly be ignored.

What has been England's answer? True to her own principles of government she has looked at the question as it affected the interests of India. And from that point of view there could be only one reply. Political unrest has had its bad side. Narrow extremists, quick to shuffle on to others the blame for their own defects, have preached sedition and anarchy, with results familiar to all. But in the main it has been entirely healthy. It has represented a deliberate striving after self-reliance and responsibility. If Indians are to free themselves from the reproach that they are wanting in public spirit, that they are unable to shoulder responsibility, that they are incapable of dealing fairly with their fellows in politics, they can vindicate themselves only by being allowed to prove in practice that the reproach is no longer true.

As long ago as 1882 the experiment was made of creating municipalities and district boards, composed almost exclusively of Indians, under a British official chairman, entrusted with the construction of roads, bridges, sanita-

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tion, street cleaning, and empowered to make by-laws, levy rates, and so forth. In 1910 there were nearly 800 of these municipal councils, chiefly elected by the local ratepayers. There was also a very large number of district boards, also mainly elected by various local interests. In 1909 this process, which had been continuously developed in the meanwhile, was carried an immense step forward, by the enlargement of the Provincial and Imperial legislative councils. The Provincial councils contain a considerable majority of unofficial members, chiefly elected by municipalities and district boards. They have ample powers of discussion and all the local legislation of the great provinces has to receive their sanction. The Imperial legislative council—the body which makes laws for the whole of India, and discusses every aspect of public policy save foreign affairs and defence, was enlarged to 68, of which 30 members are non-officials, chiefly elected by the Provincial councils. There is therefore in India to-day a system of representation influencing the action of Government at every stage. No one can attend the debates at the Imperial legislative councils without being impressed with the high level of knowledge and debating power, and the sense of public responsibility, displayed by the Indian representatives.

Not only have Indians been given a direct voice in the control of public affairs. They have been admitted into the *arcana* of government. One of the seats in the Viceroy's council—the Indian cabinet—is allotted to an Indian, who thus becomes the head of one of the great departments of State. Two seats on the India Council, which shares with the Secretary of State and the British cabinet the ultimate responsibility for India, are held by natives of India.

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IX

WE can now understand something of the problem of India. We have seen that in the past we were driven to India by the simple necessities of existence. Civilized life depends on the division of labour and the exchange of its products. It is man's inalienable right to trade with his neighbours. Having gone to India to trade, we were driven step by step into establishing a territorial dominion there, partly because Indians at the time were incapable of maintaining law and order for themselves, partly because the protection of our national liberties involved us in a desperate struggle for predominance with France. Once we made ourselves responsible for government in India, the interests of our subjects compelled us to assume charge of the whole country.

The future no man can forecast; but the two principles which have governed our policy in the past will still govern it in the years that lie ahead. On the one side are the interests of the Empire. The commerce of Great Britain with India to-day is worth more than £80,000,000 a year. Even Australia does business with her worth £3,000,000 a year. On this trade depend not merely the profits of merchants, but the employment of many thousands of workpeople. On it also depend the national revenues from customs duties, income tax, and so on. Disorder in India would mean ruin at home. Commerce links us indissolubly with India to-day, and will continue to link us in the future. Strategy does so no less. We can never willingly acquiesce in the establishment of any foreign rule in India. We can never willingly see a regenerated India become an independent power. We should no more welcome Indian Dreadnoughts in Indian waters, controlled by an independent Indian Government, than we should welcome the battleships of Russia or Japan. That is one cardinal feature of the future policy of Britain in India. Whatever the status of India may be,

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whether she remains a dependency, or whether she attains the full stature of a self-governing Dominion, she must for all time remain within the Empire. To humanity at large, no less than to the Empire, it would be a calamity that India should become a fresh centre of international friction, and a fresh fountain of armaments.

On the other side are the interests of India. To a surprising extent they correspond with those of England. India also needs internal peace and order. India also requires commerce if her people are to rise in the scale of civilization. India also must remain part of the Empire if she is to be secure against foreign aggression and to avoid the crushing burden of armaments which enmity with the Empire would entail. But India also demands progress in the political sphere, and progress means a change in the character of British rule. Here is the supreme problem. Nobody doubts that India ought to progress towards self-government; but nobody knows how the process is to be carried out, or what the ultimate end will be.

The ideal goal is clear. It is that some day or other India should acquire the status of a self-governing Dominion, independent in the control of her own internal affairs, a loyal and willing partner with the other units of the Empire in their common concerns. Whether she will ever be able to attain complete self-government will depend entirely upon the capacity of her people to progress in knowledge and self-control. How slow the process must be only those who know India can understand. A famous despatch of the Government of India has described Indian society as "essentially a congeries of widely-separated classes, races and communities, with divergencies of interests and hereditary sentiment, which for ages have precluded common active and local unanimity," and a leading Indian—the Aga Khan—has recently declared that "generations must pass before India is a nation." When, in addition to disunion, one sees the still appalling ignorance and apathy of the agriculturists, the want of initiative, and the reluc-

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tance to assume responsibility among the country gentry—together three-fourths of the people—and when one remembers that the present Government is no longer the simple, old-fashioned one, but the complex, all-pervading system introduced from the West, it is obvious that it will be long before India can govern herself on democratic lines.

But if this mitigates the difficulty during the intermediate stage, it does not remove it; for progress, if slow, will be steady. How is power and the responsibility for internal affairs to be transferred by degrees from the British to the Indians without causing an irreparable split between the two? It has proved a difficult task with the Dominions, and, before we learnt the road, America had broken away. With India it will be immeasurably more difficult; for it is a country peopled by a race different in blood, different in colour, different in every habit and custom of life from ourselves, and with whom understanding and sympathy is difficult to attain. Yet at bottom the conditions are the same. The Dominions remain within the Empire solely because they wish to do so. If in the future India also remains within the Empire it will not be because we are strong or because we govern justly and well, but because we retain her respect and goodwill. We cannot look to any substantial British community in India to help to keep her loyal to the Empire. India is not a white man's country. It is composed and always will be composed of Indians, with a tiny sprinkling of outsiders occupied either in trade, or as soldiers, or in government service. Nor can we look to the sword. There are 75,000 British troops in India, and a native army twice that size. Amply adequate to deal with riot or fanatical rebellion to-day, such a force, or any force that we could pour into India would be powerless to resist a determined movement in an educated India. It is not so much that our troops could be overpowered, but that our government would be blocked at every turn and our position made untenable. If India, progressing as she hopes to progress, and as the British with their schools, their missionaries, their repre-

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sentative institutions, are encouraging her to progress, remains within the Empire, it will be solely because her people wish to do so.

If we look, therefore, to the future the problem is not so much to perfect military organization, or to maintain a just and enlightened administration—though these are essential—as to retain the good will and respect of the people of India. To imagine that to-day India is hostile to British rule is a profound mistake. Indians not only recognize that they cannot do without the British, but they look on the Government of India as a government of their own and not as an alien rule. The individual English official may not be popular, because he is not understood and because colour prejudice is blind, but he is regarded as being as good an Indian in his policy as the native born. So long as that relation is maintained, the problem of the future is not insoluble. Only one thing can make a rupture inevitable—if the British in India or elsewhere should allow their policy to be swayed from the paths of equity and justice by pride of colour or race. The belief that we treat them as inferior or inherently incapable of development, not on their true merits, but because of their blood or the pigment of their skins, will unite all Indians, Mohammedans with Hindu, high caste and low caste, north and south, in revolt against our rule, as nothing else will do. If such danger exists it is to be feared rather from the Englishmen living in the other parts of the world than from those who know India.

To talk about colonial self-government in India is, no doubt, to look far ahead. It does not fall within the field of practical politics. But it is well that those outside India, who are ultimately responsible for its government, yet who only occasionally have time to glance at its affairs, should see where things are moving. For whether the pace be fast or slow, that is the goal towards which events in India, propelled by Indian and British alike, are travelling. To dam the tide would raise a flood which would overwhelm not only

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our rule but India herself in a torrent of desolation. To roll it back would be to burden ourselves for all time with the responsibility for the daily welfare of three hundred million souls.

But, if the task before the British is difficult, it is also well worth the undertaking, for on its achievement great things depend. Fate has entrusted the British with the duty of instructing well-nigh one half of the people of Asia in the civilization of the West. If they succeed, they will be the agents through whom one-sixth of mankind will not only enjoy good government and material prosperity, but will be fitted to take their stand as self-dependent citizens of the world. If they succeed, they will have discovered how to compose that world-old feud between East and West, between coloured and white, which threatens once more to engulf mankind in war. If they succeed, they will lay broad and deep the foundation of an Empire which will then have proved its claim to be foremost among the political fabrics of the day for its freedom and its self-respect.

There is a school of opinion which laments the Westernization of the East. If to bring justice to the oppressed, liberty to the slave, enlightenment to the ignorant, the opportunity of self-development to all, is a vain thing, then let us lament, for we must then believe that truth does not exist and that mankind must drift eternally, the sport of every impulse to passion or to folly. Fortunately there are few to confess to the cowardice of that despairing view. But there are others who would have us relinquish our work in India—they have been called appropriately the "Perish India" school. It is a school which is dead in England, but which still has its adherents in the Dominions. Let us hope that a true understanding of what the British have done in India and what they have still to do, will destroy it overseas as it has destroyed it at home. For their task is worthy of a great nation. If it is accomplished, it will surpass the exploits of the great heroes of the world, and it will rank the name of Britain beside the names of Greece and Rome.

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THE naval defence of the Empire, and in particular the part which Canada is to play in it, are now before all men's minds. In the following pages the question is dealt with from three separate points of view. First the problem is stated as it concerns the Empire generally. Secondly the varying views of the political parties in Canada are examined by a resident in Canada unconnected with party politics; and thirdly a Western Canadian sketches the opinions of the dwellers on the plains with regard to this great problem, so remote from them, and yet so charged with moment for the future of their country.

I. THE PROBLEM AS IT APPEARS FROM LONDON

ON July 22, 1912, the First Lord of the Admiralty placed before the House of Commons a general survey of the naval defence of the British Empire. No man, who has studied his speech, will be inclined to disagree with Mr Balfour in his statement that it brings before us in almost menacing guise the increasing difficulties of the European situation and the ever-darkening clouds threatening the Empire from the European side. In an article on Imperial Defence in *THE ROUND TABLE* of May, 1911, it was stated that the British Empire was rapidly approaching a crisis in its fate. A year has passed and all that has happened since then has served to confirm that view. At this critical moment, when, as has been foreshadowed in the momentous speeches recently delivered by Mr Borden in London, the

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relations between Great Britain and the Dominions may be entering on a new phase, it may be well to summarize the opinions then expressed.

Two great changes have taken place in the last fifty years, almost it may be said, in the last twenty or even ten years, which raise the question of the whole future of the British Empire and the English-speaking races within it. Both arise mainly from the unparalleled development of the world in wealth and population. The first is the sudden re-appearance of great external danger in Europe, from which Great Britain has been free since the Napoleonic era; the second is the change which the growth of the Dominions is inevitably bringing with it in the mutual relations between them and the United Kingdom.

Till the end of the nineteenth century the British fleet was practically supreme on every sea. No other nation had either sufficient resources or sufficient cause to challenge its supremacy; Europe was absorbed in its internal struggles; the citizens of the United States turned their eyes inwards to the development of their great country, and not outwards to the world; the colonial expansion of France and Germany had only begun; the era of world-wide commerce and the great development of the new world was in its infancy. Even Bismarck deliberately damped down the first attempt of Germany at creating an empire overseas. So secure was Great Britain that her own shores were left almost undefended while her fleets guarded her world-wide possessions in the Mediterranean and China seas, and the Pacific and Atlantic oceans.

In the last few years the face of the world has changed. The application of science to industry, the immense developments in the ease and rapidity of transportation and the great production of gold have led to an enormous increase in wealth, not only in the new world, but in Europe itself. and Great Britain, instead of being the only wealthy nation, is now one among many. This increase in wealth has been quite as rapid in Germany as anywhere else in the world, and

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a nation the very existence of which is due to the successful application of force now finds itself for the first time not only with the means of creating a mighty navy, as well as an unequalled army, but with a good excuse for so doing in the great growth of its oversea possessions and oversea trade. But, whatever the motives for the growth of the German Navy, its effects are not open to doubt. In six years, as Mr Churchill has pointed out, Germany will possess a fleet far stronger than the British fleet is at this moment. Already, if her policy is to cripple the effectiveness of the British fleet, she has been largely successful. The British flag has been withdrawn almost wholly from the oceans of the world and the British navy is now concentrated in the North Sea. Nor, whatever may be the demands upon it from any distant part of the Empire, can it move from that sea without laying Great Britain open to invasion. But it is not only Germany which is creating a Navy. For the first time in European history Austria and Italy are becoming strong naval powers; in Russia a large fleet is projected; the United States are increasing their Navy; so is Japan; the Argentine, Chili and Brazil all have fleets which may at least endanger communications and trade in time of war.

The British Isles are small in area. Their population of 45,000,000 is not capable of indefinite growth; their resources are already exploited to the full. They are faced by Germany with her 69,000,000; Russia with her 150,000,000; the United States with their 100,000,000; as well as by other great powers. Whatever the efforts of the British people—and they will spend their last drop of blood and their last penny in the defence of the Empire—it is unlikely that the British fleet, unaided, can ever regain its position as mistress of the seas, or, indeed, that the British people alone, can defend indefinitely against every danger all parts of the vast Empire they have won. They will not shrink from the effort, but year by year this burden grows heavier and more exacting.

Fortunately the Empire has grown with the rest of the world, and Canada, Australia, South Africa and New

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Zealand are already large and wealthy communities. In a generation Canada may equal the British Isles in population, and finally she must far surpass them. Canning's phrase may become true in a different sense, and the new world may again redress the balance of the old. But, encouraging as is this aspect of the future, the growth of the Dominions has brought with it problems which will before very long demand solution. The old system of defence and foreign policy is breaking down; it is not yet replaced by a new one. Until the last few years the defence and foreign policy of the British Empire have been treated as a single organic whole; they have been conducted under the sole responsibility of the British Government. It was only dimly recognized that the Dominions would very shortly demand some share in the determination of policy, and would reject as inconsistent with their national pride the development of a system under which they would pay tribute to a navy in no respect subject to their control. Only last year Mr Asquith stated categorically in the Imperial Conference that the authority of the British Government in such grave matters as the conduct of foreign policy, the conclusion of treaties, the declaration and maintenance of peace or the declaration of war could not be shared. The pressure of circumstances is already bringing him to modify this conclusion. It is inevitable indeed that, if the Dominions do not share in the foreign policy of the Empire, they will set up independent policies of their own. In the present amorphous condition of the Empire they are already doing so. They are already negotiating treaties, and their statesmen have already declared their intention of determining their own policy. "Under present circumstances," said Sir Wilfrid Laurier in November, 1910, in the Canadian House of Commons, "it is not advisable for Canada to mix in the armaments of the Empire. But we should stand on our own policy of being masters in our own house, of having a policy for our own purpose, and leaving to the Canadian Parliament, to the Canadian Government, and to the Canadian people, to take

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part in those wars in which to-day they have no voice only if they think fit to do so."

Australia, too, as a writer in the present number of *THE ROUND TABLE* points out, is beginning to realize that defence depends upon policy as much as upon armaments,* and to question the system under which Australian policy is determined by a Government in which Australians are unrepresented. There is no small danger that each of the five nations of the Empire may set up an independent foreign policy and an independent defensive system for itself. The inevitable results were stated in *THE ROUND TABLE* a year ago. Instead of one Government responsible for the safety of the Empire there would then be five. Each of these governments would be free to pursue its own policy, and each would have military or naval strength to back it. Each therefore might involve itself in war. What then would be the position of the others? Meanwhile, presumably, Great Britain is to remain responsible for maintaining intact the Imperial system as a whole. Can she do so if her government does not know what resources in men, ships and money can be depended upon from the rest of the Empire, or if the Dominions frame policies which may nullify or render impossible the international agreements which she may consider necessary for the safety of the Empire? The principle of complete local separation, admirably as it works for internal politics, cannot be applied to foreign affairs. We have only to ask ourselves whether, supposing the Empire had never lost the United States, the foreign policy of Washington could still be determined by the British Government, to see that the present system cannot indefinitely continue. There is no instance in history of a number of nations who have remained permanently united in defence and foreign policy solely by the bonds of goodwill. How much did goodwill accomplish for the thirteen Confederate States of America, before the Constitution was framed? Or how much did goodwill do even

* Page 721.

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for the separate states and provinces of Canada, Australia, and South Africa before they broke the deadlock by merging their separate entities in a wider federation. Similarly the nations of the Empire must either agree to co-operate for foreign policy and defence, or they must dissolve the Empire, and each assume responsibility for its own policy and its own defence. There is no third alternative.

In what manner complete unity will finally be achieved, and what will be its form it is unnecessary here to consider. Truly effective unity means the control of foreign policy and defence by one Government fully representative of all the self-governing communities of the Empire. For so great a change the minds of men are not yet prepared either in the United Kingdom or in the Dominions. But let it not be supposed that the day is far off when the Dominions will have to choose whether or not they will share in the responsibilities of Empire, and when Great Britain will have to choose whether or not she will share her control of foreign policy. That day has already come, and, though at this juncture it will to-day be possible to take a short step only in the direction of unity, it will be a momentous one, since it involves consequences the end of which no man can see.

Before 1909 the problem of Imperial Defence had not been recognized as acute. Satisfied that the United Kingdom was well able to secure by her own efforts the safety of the Empire, the Dominions had been content either to do nothing at all or to contribute a relatively small sum to the British navy. But in that year the serious nature of the German competition became apparent. The Dominions hastened to offer their help, and an Imperial Defence Conference was held in London. At this Conference a far-reaching change was made in the defensive system of the Empire. It was decided that Australia and Canada should create local navies of their own, instead of contributing to a single navy under the authority of the British Government. These navies were, to all intents and purposes, quite independent of Admiralty control, and even in time of war, as

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was made apparent later, they were only to be placed under Admiralty orders, if the Canadian and Australian Parliaments so determined. As a result of these decisions Australia has commenced the creation of a local navy and has framed an elaborate policy for the naval defence of her shores. In Canada Sir Wilfrid Laurier started on the same lines. But in that country, as is shown in the second part of this article, opinion is still somewhat divided as to the proper method of Canada's contribution to defence. It is indeed not to be supposed that the policy of the two Dominions should be identical, for their conditions are radically different. Canada's shores are not in danger, and she is subject to no internal pressure. She does not, therefore, attach the same vital importance, as does Australia, to the constant presence of her Dreadnoughts near her coast. She wishes to do something substantial and effective and is prepared to listen to and weigh the views of the experts as to where her ships should be stationed, whether on her Pacific or Atlantic coasts or as the Canadian squadron of the Imperial Battle Fleet. On the other hand, there is no likelihood that the Canadian people will simply hand over their fleet without further consideration to the British Admiralty. They will rightly demand some share of responsibility, and, as is shown later, they can secure it in one of two ways, either by the control of their own navy wholly independently of the Imperial fleet, or by joint control by Great Britain and Canada over a united fleet. The Canadian ministers in England are attempting, it appears, to take a first step towards the realization of this latter end.

Australia's position is different. Her eyes are turned not to the North Sea, but to the China Sea and the Sea of Japan. She is, as an Australian contributor* graphically puts it, "an advance guard of the West flung far out into the East," "a lonely outpost of European civilization in a region which is profoundly alien." Australian opinion, and very possibly sound strategy as well, is likely always to demand that the Australian fleet should remain in Australian waters.

* Pages 720-721.

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Australia's isolation calls forth from the writer above quoted a plea for an Australian foreign policy, independent of that of the British Government. But if that policy is independent it may also be contradictory. At the same time in a later part of his article the writer fully characterizes the lack of organization in the Empire as the fundamental defect of its constitution, and refers to the possibility that "the act of an irresponsible government in New Zealand or Newfoundland may plunge the whole Empire into war." But how is this lack of organization in the Empire to be cured by its having two or more separate foreign policies? Is the British Government, though having no part in Australia's policy, to accept all the consequences of it, and share the responsibility for any trouble which may ensue? Or, if not, in what sense would Australia still remain a part of the British Empire? And is it suggested that Australia, even if she had, as the writer recommends, arrangements with Canada, South Africa and India, would carry more weight in an eastern conflict than a united British Empire? We draw indeed from Australia's isolation precisely the contrary moral. That moral is not that she should pursue a separatist policy, but that she should demand a voice in deciding the policy of the Empire, and in influencing that policy in a direction which accords with Australian interests.

The time, then, is ripe for both Canada and Australia to demand some share in directing the policy of the Empire. Yet both countries must be patient. Any change which can now be made, must be small, any step which can be taken, must be tentative. The gulf between the present constitution of the Empire and a truly representative one is profound and can only gradually be bridged.

The idea has been mooted that, as a first step, such Dominions as wish should send a representative, who should be one of their Cabinet Ministers, to sit as a member of the Committee of Imperial Defence. There is much to be said for the suggestion. The Committee of Imperial Defence has, as Mr Asquith recently explained, a peculiarly elastic con-

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stitution. It is not an executive body, nor does it determine policy. It is simply advisory. Technically it consists of the Prime Minister of the United Kingdom and such persons as he may summon to sit on it. In practice its members appear to be the half-dozen leading members of the Cabinet—e.g. the Prime Minister, the Secretary of State for Foreign Affairs, the First Lord of the Admiralty, the Secretary of State for War, the Chancellor of the Exchequer, and so on—and the naval and military experts whom they call to assist them. The full Committee meets only occasionally; its general work is entrusted to special expert sub-committees, which are practically in constant session considering various questions of Imperial Defence, and acting as a co-ordinating link between the great Departments.

The Committee is still in an experimental stage; its relations with the General Staffs of the Admiralty and the War Office are ill-defined. But the very fact that it is still in embryo makes it capable of further growth. One may, indeed, perhaps hazard a guess as to the lines on which that growth will proceed.

In vague outline we already see the future division of the British Cabinet into a domestic and Imperial Cabinet. Those ministers who deal with defence and foreign affairs are invariably members of the Committee of Defence. The final decision on any matter of policy arising out of the questions discussed by the Committee is, no doubt, taken by the Cabinet as a whole, but it is doubtful if the latter would often demur to a decision arrived at by their colleagues when sitting as members of the Defence Committee. Though the Committee might retain in form its purely advisory function, this tendency would be strengthened by the presence of Dominion Ministers. A further result would probably be that the experts who now attend as members on an equality with Ministers, would then attend solely as advisers. The decision of the Committee would, in consequence, be a decision of Ministers.

We may look, therefore, to the Committee taking the

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form of a Council of Ministers from the united nations of the Empire, advised by their experts in defence and foreign affairs. These experts would consist of the ruling authorities of the Navy and Army and the chiefs of the General Staffs, which would naturally be co-ordinated with the Defence Committee. The Committee would, therefore, be the apex of the pyramid from which would branch out the General Staffs and the defence services themselves. Finally, any decision of the Committee would be reported to the British Cabinet, with whom, at any rate until the constitution of the Empire is further developed, the ultimate decision must still rest. The creation of such a joint Committee would be a great step in advance. But it would be far from solving the constitutional problems involved in the defence of the Empire. It is doubtful, for instance, in what relation the naval and military experts and authorities in the Dominions would stand to the Committee. But that is a small matter compared to the status of the Committee itself. It is clear that while the representatives of the Dominions might have an opportunity to express the views of their governments on all matters of importance, the final responsibility must still rest with the Prime Minister of Great Britain and his colleagues, if for no other reason, because foreign affairs and defence demand above all instant decision, secrecy, and unity of purpose. It might often not be practicable to wait for the assent of every Dominion government, and so long as the different governments are not merged in one single government for defence that condition must remain. Furthermore, the control of naval and military forces is an executive matter, capable of exercise only by an executive government, and the Committee is not an executive but an advisory body. It would be there to offer advice to the British Government. But while, therefore, the Committee would not be a true Cabinet of Empire, it would be a great step beyond anything in existence at present, and it would rest with the Dominions to come forward and demand a greater responsibility. Meanwhile,

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we should have reaped this great advantage, that all the governments of the Dominions would be kept informed as to the policy of the Empire and would be able to make their voices heard, while the world would recognize in the action of the British Government the decision of a united Empire.

It remains then for Mr Borden's Government to take the first step. Mr Borden's recent speeches have been remarkable for their grasp of the realities of the constitutional problem, and have created a profound impression in the United Kingdom. It is clear that he appreciates the necessity not only in the interests of Canada, but in those of the United Kingdom and the Empire at large for finding some solution of the problem of Imperial Defence which shall combine autonomy with unity. He recognizes that any present solution can only be a partial one; he recognizes, too, that even a partial solution must involve Canada in new responsibilities from which as a great nation she cannot escape; and on Canada's behalf he accepts those responsibilities. It may well be that Mr Borden's declarations will mark the commencement of a new era in the Empire's history.

II. PARTY OPINION IN CANADA

BEFORE these lines appear in print, it may have been settled, at any rate for the time being, what Canada is going to do in the matter of Naval Defence. In the following pages it is not proposed to attempt to weigh the merits and demerits of each of the various courses which have been suggested, nor to advocate one or the other of them, but rather to give some account of the various currents of opinion on the subject, and perhaps to offer some tentative explanation how they have been formed.

To begin with, it must be remembered that it is only a few years since the question of naval defence has entered at

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all into the "practical politics" of Canada. Before that only some scattered enthusiasts were interested in it. They worked hard in various ways for the conversion of their countrymen, and their labours are now bearing fruit. But the movement for taking part in the Naval defence of the Empire was not until recently a living issue for the nation at large. On this account there has, perhaps, been some advantage from the national point of view in the postponement of action which has been caused by recent changes in Canadian politics. Time has been given for discussion and ventilation of the question. It has become one of the issues of the day. The newspapers refer to it constantly. The public has become familiar with it. Its importance is coming to be realized; and whether people approve or disapprove of whatever action may now be taken by the present Government, they will, at any rate, not regard the whole matter with apathy, as they might have done if action had been taken two years ago.

There is one thing to be remembered in this connexion. Since public interest in the question is only of recent growth it follows that opinions have been, and to some extent are still, in a state of flux. Change and development of view are much more rapid about a question which most people are really considering for the first time, than they are about the stereotyped issues of politics. It is by no means safe to assume that a politician or a public writer in Canada thinks to-day about naval defence as he thought two years ago. Even now public opinion can hardly be said to have fixed itself on entirely definite lines. Some of the most ardent advocates of a "forward" Naval policy admit that they have developed their views greatly during the last few years. They attribute this to study and consideration of the question. It is reasonable to suppose that the same process may also produce development in the views of others who have begun later.

Another point to be borne in mind is this. Almost as soon as naval defence turned into a question of "practical

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politics," it became entangled with party differences. The party in power—the Liberal party—had to produce a policy. When they did so it was the natural thing for the Opposition to fall into an attitude of criticism. It is not suggested that there was no reasonable ground for this attitude. On the contrary, as will be pointed out, there are some real differences in the point of view from which the two parties approach the question. It is true that the differences exist rather in the point of view than in the practical conclusions arrived at. But where a party system exists, it is the points of difference that tend to be emphasized in any political question, and not the points of agreement. Defence, like foreign policy, is a matter which in every country patriots must desire to see kept out of the party arena, and there is no reason to despair of this being done ultimately in Canada. But up to the present, the views expressed in Parliament and on the platform, have often been coloured by party feeling and urged in the terms of party argument. It is to be hoped that this is a temporary condition; but, for the time being allowance must be made for it in considering the public utterances of statesmen on either side.

In Canada we have two great parties in politics, which bear the time-honoured names of Liberal and Conservative. The differences of opinion and tradition which separate them in domestic affairs need not be discussed here. As regards matters of Imperial policy it may fairly be said that the Conservative tradition leans rather towards emphasizing the connexion with the Mother Country; the Liberal tradition towards emphasizing the autonomy of Canada. It must not be supposed that the Conservatives are indifferent to the latter, or the Liberals to the former principle. On broad lines both parties are equally determined to maintain the status of Canada as an autonomous community and its status as an integral part of the Empire. But the Liberals are perhaps inclined to be more meticulous than the Conservatives about any question which touches, or may be supposed to touch, the question of autonomy; and the

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Conservatives to be more meticulous than the Liberals about any question which affects the ties binding Canada to the rest of the Empire. A reason for this may be found in the composition of the parties. The nucleus of the Conservative party—though it is strong elsewhere—lies in Ontario, among men of British descent, with an hereditary British tradition. This tradition carries with it a feeling of sentimental attachment to the Mother Country, which though it is really, if analysed, quite distinct from loyalty to the Imperial ideal, tends in practice to reinforce and strengthen that ideal; just as personal or family affection between members of a partnership may strengthen the feeling of loyalty among partners, though that loyalty may, and does, exist without family ties. On the other hand, the main strength of the Liberal party has for many years lain in the province of Quebec; and that portion of Canada is, for obvious reasons, particularly attached to, and jealous of, the autonomous status of the Dominion. There are many Liberals who have as strong a sentimental attachment to the Mother Country as any Conservative; and there are many Conservatives who are as jealous about Canadian autonomy as any Liberal. But in each party it is the dominant element which gives the tone. Hence it happens that, in matters of external policy, there is a tendency in one party to visualize more clearly the duties of Canada towards the Empire, and in the other to visualize more clearly the rights of Canada as against the Empire. This difference in the point of view became apparent on the question of naval defence, as it has done before, and no doubt will do again, on other Imperial questions.

Besides the two great parties in Canada there is the faction of the Nationalists, which must be considered separately. It is important only in the Province of Quebec, and its avowed object is to protect the interests and express the views of the French-speaking and Roman Catholic inhabitants of Canada. Its representation in Parliament is insignificant, and the extent of its voting strength in the

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country is doubtful, and probably fluctuates considerably from time to time. But it gains importance from the talents of its leaders, from the large measure of support which has been given to it by the Roman Catholic hierarchy, and from the balance which it is sometimes in a position to hold in the Quebec elections. On the Naval question, as on other questions, it may be taken as voicing the extreme French view, and the line which it has followed in the matter will be referred to later.

The history of naval defence as a part of the "practical politics" of Canada begins with the famous resolution of March, 1909. This resolution was founded on a motion originally brought forward by Mr G. E. Foster, was re-drafted by the leaders of the Government and the Opposition in consultation, and was passed unanimously by the Dominion House of Commons in the following form:

That this House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence. The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing Dominions the payment of regular and periodical contributions to the Imperial Treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the Imperial Navy, along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world. The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and the honour of the Empire.

It was, perhaps, too much to hope that the agreement between the parties should continue for long. The Liberal Government, which was then in power, had to give its own

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interpretation to the resolution of the House, and it did this by introducing a Naval Service Bill, which passed its first reading in the beginning of 1910. The resolution had been unanimous; but the Bill soon became the subject of a fierce and prolonged controversy. It was attacked on two sides. It has been said, in general terms, that it was attacked by the Conservatives on the ground that it did not go far enough, and by the Nationalists on the ground that it went too far. That is the way in which the matter is put by Liberal spokesmen, who are naturally disposed to make capital out of the alliance contracted against them by opponents so ill agreed among themselves. The statement is fair enough as a platform argument, but, taken by itself, it does not give a full or exact idea of the position.

It will be remembered that Sir Wilfrid Laurier's Bill provided for the creation of a "Canadian Navy," and that in supporting it he laid great stress on that fact that this Navy was to be absolutely under the control of the Canadian Government in time of peace, and that even in time of war it would only take part in hostilities should the Canadian Government decide that it wished to share in them. In that case, and in that case only, would the Canadian Navy be put at the disposal of the British Admiralty. In emphasizing this feature of his proposals, Sir Wilfrid Laurier was led into enunciating his now well-known doctrine about Canada's right to retain neutrality in the case of Great Britain going to war. This doctrine is clearly inadmissible. It is impossible to argue that Canada, while remaining a part of the British Empire, can claim the status of a neutral in a war in which the Imperial Government is engaged. She must either accept her status as a part of the belligerent state, or must announce her secession from it. There is no doubt that under the present constitution of the Empire, if the British Government goes to war, all the Dominions are at war also, in the sense that they are parts of the belligerent state, and would be regarded as such by any international tribunal, unless they proclaimed

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their secession. There is equally no doubt that, under the present constitution of the Empire, Canada is not bound to assist the Imperial Government in time of war to the extent of a single soldier or a single dollar. Therefore, while Canada cannot obtain the status of a neutral in a British war, she can, if she wishes, refuse to take any active part in such a war. Imaginary cases can be constructed in which the Canadian Government, though it had decided to take no part in a war, might be compelled to take an active part, e.g. in the case of British or hostile ships of war seeking supplies or repairs. Cases can also be constructed in which Canada would never come into contact with the operations of war unless she chose to do so. But inaction is not the same as neutrality. While, too, under present circumstances Canada's action or inaction depends on the decision of the Canadian Parliament and the Canadian people, in any war in which Great Britain were hard pressed the Canadian people would be quick to repudiate the idea of inaction, which they would rightly see would be tantamount to secession.

But the objections of the Conservative party were not confined only to Sir Wilfrid Laurier's doctrine of neutrality. The policy put forward by the Liberal Government was also attacked on the ground that it was inadequate. Here the criticisms tended to run on divergent lines. Some were inclined to disparage the present value of a Canadian Navy, and to demand that an immediate contribution of money and ships, or both, should be made to the Imperial fleet. Others, while accepting the principle of the Naval Service Bill, declared that the proposed armament was insufficient or unsuitable. Others, again, were insistent that the Canadian contingent must be put at all times under the direct orders of the Admiralty, and declared that otherwise it would be useless. The truth probably was that views on the subject were in process of formation. But, on the whole, there seemed to be a consensus of opinion among the Conservative Opposition that the proposals of

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the Government were not sufficient, and that Canada must both do more, and do it more quickly, if she intended to take her fair share in the naval defence of the Empire. The Nationalists, on the other hand, attacked the Bill as being unnecessary as well as useless, as imposing new burdens on Canada, and as tending to militarism.

Much water has flowed beneath the bridges since the Naval Service Bill was first introduced, and the views of the Conservative party, if they are not yet entirely unanimous, have tended to solidify and take definite shape on some of the most important points. In the first place, it may be said that the opinion in favour of a Canadian Navy, or at any rate a distinctively Canadian wing of the Navy, has gained strength and established itself as against the opinion which favoured a mere contribution of money or ships (except as a purely temporary measure). The resolution of 1909 pointed to this view, and the Naval Service Bill, of course, embodied it in an extreme form. Several ways are conceivable of giving effect to it, and many different suggestions have been put forward as to the manner in which the Canadian Squadron should co-operate in the general scheme of Imperial defence, as to its relations with the British Admiralty, as to interchange of personnel, and so forth. These matters, important as they are, are rather matters of detail than of principle. The two governments will have to determine them together, and in doing so no doubt will be guided to a great extent by expert advice. But in whatever form the details are finally settled, it seems clear that the popular sentiment in Canada demands that the permanent Canadian contribution to naval defence shall take the form of a Canadian naval contingent. In this matter the Liberals may claim that their view has prevailed, for a distinctively Canadian Navy was an essential feature of their scheme. It would not be correct to say that the Conservative party has ever advocated the method of direct contribution. In fact they estopped themselves from doing so by the terms of the

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resolution of March, 1909. But the party view on the subject was, in the earlier stages at any rate, neither absolutely unanimous nor altogether definite. Now, however, it does not look as if any serious difference of opinion was likely to remain between the parties on this point.

On a second aspect of the question the Conservative policy has taken a rather different trend from that of the Liberals. That is on the question of control. The Liberal solution of this question was expressed in Sir Wilfrid Laurier's declaration, already referred to, that the Canadian Navy must remain absolutely under the control of the Canadian Government, that it must take its orders from them, and acknowledge no other authority except when the Canadian Government should choose to "lend it out," so to speak, to the British Admiralty. This declaration was intended, no doubt, to satisfy Canada's proper claims as a self-governing Dominion. These claims would certainly not be satisfied if a squadron, equipped and maintained by the Government of Canada, were left, as a normal thing, under the orders of a department of the Government of the United Kingdom, to be used at the sole discretion of that department. But there were obvious objections to Sir Wilfrid Laurier's solution of the difficulty; and the Conservative party, perhaps, realized these objections more acutely, because it had used them as weapons of controversy. Accordingly some different method of safeguarding Canadian autonomy was looked for. It was found by insisting not on a division of command, but on a union of councils. The Liberal policy was to preserve the autonomy of Canada by keeping the British and Canadian fleets separate, each under the orders of its own Admiralty. The Conservative policy, according to recent declarations, is to preserve autonomy by uniting the fleets and at the same time uniting the Admiralties. It is too early yet to say how the practical difficulties which, under the present Constitution of the Empire, undoubtedly lie in the way of such a solution, can be overcome. Should they be overcome successfully a long step will have been taken to-

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wards the solution of the whole problem of Imperial Defence. The great objection to Sir Wilfrid Laurier's solution was that, while it gave Canada an apparent rather than a real autonomy in the disposition of her fleet, it tended at the same time to hamper efficiency in naval action, which is the reason for which fleets exist. In theory the Canadian fleet might be at the absolute disposal of the Canadian Government; but in practice it is certain that if Great Britain became involved in a serious naval war, any Canadian fleet which existed would become a part of the combatant forces. The sentiment of the Canadian people, to say nothing of the instinct of self-preservation, would be too strong for any Government which tried to hold aloof. That being so, the right of choice nominally reserved to Canada under Sir Wilfrid Laurier's plan, would in practice be worth nothing. At the same time, the fact that the British Admiralty, which would direct the operations of a naval war, would have no technical right to give orders to the Canadian Squadron, could not fail to detract from the strength of the joint forces, through the moral as well as the physical effect of a divided command.

The solution now apparently proposed by Mr Borden's Government is not open to either of these two objections. If Canada is given a real voice in the Councils which determine peace and war for the British Empire, her autonomy is not only preserved, but extended beyond its present limits. At the same time the illusory safeguard, but real evil, of a divided command, can be dispensed with. Everything, of course, turns on the question whether a practical means can be devised of giving Canada effective and satisfactory representation in the Imperial Councils. If this can be done, it is safe to say the Conservative party in Canada will follow its leader and welcome his solution of a difficult problem. The attitude of the Liberal party is more doubtful. Some years ago, at an Imperial Conference, Sir Wilfrid Laurier disclaimed any desire on the part of the Canadian Government for a voice in Imperial foreign policy, on the ground that

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representation involved responsibility, and that the Canadian Government wished to preserve its freedom of action. But, as pointed out above, such freedom can only be apparent and not real. It is as if one partner in a business should say that he did not wish to be consulted about any of the firm's relations with third parties, on the ground that these relations might involve litigation, and that he wished to keep a free hand to take part or not as he chose. In practice, of course, the effect would be that he would always be affected by the results of litigation unless he chose to dissolve partnership, and that by holding aloof he would merely deprive himself of the opportunity to guide matters in the way he desired.

But the views of Sir Wilfrid Laurier on this matter in 1907 are not necessarily the final views of the Liberal party, or even of Sir Wilfrid Laurier; and possibly, as the Liberals seem likely to convert the Conservatives on the point of a Canadian Navy, the Conservatives may convert the Liberals on the point of the method by which Canadian autonomy is to be preserved.

To sum up the situation as between the two parties, it may be said that both are practically agreed that Canada must do something immediate, substantial and effective in the way of making provision for Naval Defence, and that in doing it Canada's position as a self-governing Dominion must not be impaired. Both parties are likely to agree on the principle of a Canadian navy or naval contingent, though possibly the reasons on which they will base their adherence to this principle are not altogether the same in both cases. With regard to the question of autonomy the Liberals at present are inclined to advocate that this should be secured by the maintenance of two entirely separate controls. The Conservatives prefer the solution of a joint control, if any means can be found of giving effect to this. On the Conservative side there is also a feeling in favour of making an immediate contribution to the Imperial Fleet, preferably in the form of ships. This is suggested, not as a precedent for

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future action, but as a temporary measure, on the ground that under present conditions Canada ought to do something at once, that the creation of a Canadian Navy will take time and that while it is being proceeded with something should be done *ad interim*.

There remains the Nationalist party. Though this party is hardly represented in Parliament its views on the subject of Naval Defence have interest and importance in so far as they may be supposed to be a guide to the feeling of the French population. The Nationalists, as has been said, stand for the extreme French view, the bulk of the French Canadians, as a rule, voting either Liberal or Conservative. But in both of the two great parties they are mixed with and modified by other elements. It is worth while, therefore, to glance at the attitude of the third party, which represents French sentiment and clerical influence in its purest form.

When the question of Naval Defence first arose the Nationalist leaders, and those connected with them, began by taking up an attitude of hostility to the whole movement. They denounced the Naval Service Bill root and branch, and its iniquity was one of their chief topics, if not the chief, in their campaign against Sir Wilfrid Laurier in Quebec. Their denunciations undoubtedly appealed to the French-speaking agricultural population of the Province. That population is by temperament intensely conservative, intensely thrifty, and intensely jealous of its privileges. In consequence the new policy was distasteful to it on three separate grounds. It was distasteful simply because it was new, and because the idea of building a fleet and becoming a Naval Power had never before been presented to French Canadians. It was distasteful because it opened the prospect of taxation for military and naval purposes, and marked the first attempt on the part of Canada to shoulder the burden which presses so heavily on the nations of the old world. It was distasteful because it was unjustly suspected to be an off-shoot of that kind of Imperialism which, in the mind

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of the French Canadian, is vaguely identified with a tendency to obliterate Provincial distinctions and Provincial privileges, and to "Anglicize" the organization of the whole Empire.

There was another ground for opposition which must be mentioned, though it must not be misunderstood. The French have always been the most warlike of all the civilized nations; but, at the same time, when they are not moved by some enthusiasm there exists among them a strong love of peace, engendered partly perhaps by their thrift and their hatred of disturbance. This is particularly marked in the French agricultural classes, and is found in the habitants of Quebec no less than in the peasants of France itself. In Quebec there is an active feeling against militarism, which does not exist, or exists less strongly, elsewhere in Canada. It is supported by the influence of the priests and of the women—both of them great factors in the life of the French-Canadian village communities. There is a traditional dread of conscription in these communities, derived, presumably, from the traditions, or the reports, of the old world. The feeling of anti-militarism was aroused by the Naval Service Bill, which was looked upon and represented as an attempt to entangle Canada in the dangers and burdens of war from which the habitants had come to regard themselves as permanently free.

In spite of this, the attack of the Nationalists on Sir Wilfrid Laurier's strongholds in Quebec last autumn was only partially successful. The feeling against Naval Defence probably grew weaker as the election campaign proceeded. The idea was familiarized and some misapprehensions, at any rate, were removed. Mr Bourassa, the Nationalist leader, abstained, whether purposely or not, from committing himself against Naval Defence on any terms. The line he took was that as Canada had no share in governing the Empire, she had no obligation to assist in maintaining it. This, of course, leaves a line of retreat open to him if Mr Borden's policy is adopted. So far he has not availed himself of it. But both

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he and his friends are bound, sooner or later, to look facts in the face; and unless they take the line of "peace at any price"—which is hardly likely to commend itself permanently to the temperament of the French Canadians—they will have to recognize that Canada, in ceasing to be a small isolated community and becoming a great and growing nation, has incurred the risks and burdens which fall on other nations also; and that ultimately the only question is whether these shall be borne alone or in association with the kindred nations of the Empire.

III. THE VIEW OF THE PLAINS

THE attitude of the Atlantic and Pacific provinces to the Empire is fairly well known: their dependence upon the British fleet for security will, sooner or later, force every thoughtful man into active advocacy for closer union. Quebec's position has been discussed from every point of view; Ontario's antipathy to the United States has been traced to the undying memories of loyalist sufferings and to the fears of the manufacturing and financial interests. Opinions in the east and the far west are taking definite shape. But what about the plains?

There the uncertainty is partly due to the rapidly changing character of the settlement. Are the American settlers favourable or adverse to Imperialism? Have the British settlers flung off the ties of the motherland? What views are held by the central Europeans? Are the native-born indifferent?

While not a little light comes from such inquiries, it seems plain that old-world opinions and sentiments count for little in the new land. The American element is at least one-third European (principally Scandinavian and German), one-third returning Canadians and Britishers and not quite one-third native-born, or "Yankee." The two-thirds have generally adopted American forms of speech, American ways of

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thinking and acting, and, because of intimate knowledge, they like the American better than they once did. Yet the sentimental ties binding them to the Republic are not deep-seated; they have changed their allegiance once and do not entertain excessive feelings of repugnance to a second change.

The British settler may flaunt his Radicalism, deride the aristocracy, and decry militarism, but the John Bull in him is aroused when he scents real danger. An ardent Free Trader, he attacks the tariff, abuses eastern manufacturers, and welcomes reciprocity until he begins to suspect that political absorption is skulking behind freer trade, and then he votes emphatically against reciprocity and declares himself an Imperialist.

The Canadian is more of a party man. He is inclined to stick close to his party, and to take his opinions from his party leaders. Traditionally the Liberals are not pronounced Imperialists, but Sir Wilfrid Laurier's naval policy and, earlier, Mr Fielding's preferential trade policy pledged them to a more cordial attitude to the Empire. The Conservatives, as the champions of the "National Policy," came to regard themselves as the custodians of the "Old Flag" and all it denotes. The lukewarmness of the Conservatives to Sir Wilfrid's naval projects drove the Liberals into an ardent Imperialism, and in time the ultra-Imperialism of Toronto will swing the entire Conservative party back to its old moorings.

The sentiments and opinions of the past, however, do not thrive in the West. There is an old saying that a man drops his morals and religion when he crosses the Rockies. While no one accepts it as true, many feel that it points to a noticeable change of attitude in a man who has crossed the Lakes and settled in the West. The true Westerner is a Radical. The conditions of life are so novel and so different that he soon feels like a plant torn up by the roots and placed in different soil and under changed skies. He finds that the farming methods of his father in the East—methods which sought to conserve fertility, remove excess of water and

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were indifferent to hail and frost—must be completely disregarded. For the West is lavish with its fertility, parsimonious with its moisture, and in constant fear of hail and frost. If he is a mechanic, he finds that the season is short, the pace killing, and the quality of the workmanship indifferent. If he turns to business, he finds that the number of employers is small, the number of petty tradesmen fairly large, and that the policy of small profits and quick returns will not work; for the market is limited, the purchasers reap a harvest but once a year, and the long hauls and enormous freights demand a policy of large profits and slow returns. The conditions of life force the Westerner into Radical ways of thinking and acting.

The Westerner, moreover, soon becomes fascinated with the vastness, richness, and wonderful opportunities of his country, and unconsciously becomes somewhat contemptuous of the microscopic ways of the East. He recalls that each of the four western provinces is as large as Germany, and Germany has 60,000,000 of people. Why may not each province in time become a Germany? He reads that Saskatchewan in one year produced over 90,000,000 bushels of wheat, and that not one-seventh of the arable land of that province was in crop, while that same year the total wheat yield of the United States was about 880,000,000 bushels. One province may thus even hope to rival the great Commonwealth. He hears imaginative politicians talking of the transference of the centre of power to the plains, and even of the centre of Empire shifting to the West, and he finds it pleasant and easy to accept.

The conditions of his life are making a new man of the Westerner, and are re-making him with startling rapidity. He did not come to the new land filled with hate against the injustice and cruelty of political tyrants, nor was he driven forth by the fires of religious persecution; the grinding and remorseless pressure of economic conditions forced him to seek a more hopeful and more comfortable life in the land of opportunity.

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For wealth and comfort he came, and in terms of these he is inclined to measure all things, and his political attitude will be very largely determined by these two things. To-day Imperialism does not seem to him to be vitally connected with either, but before long he will see the force of reasons such as the following.

Every wide-awake Westerner will tell you that the prosperity of the West depends upon three things—men, money and markets—an ever increasing tide of immigration, an ever expanding stream of capital to care for the settler, and a reliable and rising market to take his products. An ever increasing stream of men and money and ever expanding markets, these sum up the Westerner's hopes. Of course behind all is the wealth of the land. This is not a hope, not a doubtful quantity; it is an absolute certainty, and the Westerner knows it. Whenever he is assailed by doubt, he turns his eyes to the Western States of the Union, and all his doubts vanish.

The Westerner's greatest enemy is war. To-day he may not believe this; to-morrow he will. The supply of men to fill his towns, to till his lands, to build his railways, will dry up if a great European war breaks out, and more particularly a war in which Britain is involved. The heavy immigration from the British Isles to Canada would almost disappear. It is true that from the United States immigrants would still come, but even if that source were to yield more than ever before, the total volume of the stream would shrink to one-half. The demand for farm hands, the demand for town accommodation, the demand for commodities would be reduced fifty per cent, and this reduction would bring prices tumbling down with a terrifying clatter. The pessimists would repeat their "I told you so," and the optimists would take fright and attribute the decline to more serious causes than the temporary check in immigration.

War would affect the supply of money more than the supply of men. Money is more fluid and more sensitive than men. Britain's need of money would dry up the stream at its

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source. To-day the Westerner is borrowing with a recklessness that savours of insanity, so the staid Easterner thinks. He needs money for his public enterprises—his railways, his canals, his docks and his steamship lines—for his public works, provincial, civic and municipal. Public ownership is his idol and he lavishes all he can borrow or beg upon it. To one place and one place only he looks for funds—to London. The financial interests of the United States seem to prefer industrial enterprises; the British, public loans. Then there is the British investor who visits the West, buys town lots, large tracts of land, timber, or mineral limits. A European war would divert his interest. Suddenly the Westerner would find himself deprived of four-fifths of his supply of capital. He can easily picture the effect of this.

But the Western Mark Tapley may reply that he has his wheat left; that real estate, general business, transportation systems may become seriously embarrassed, but the farmer has his wheat, and in war times the price of wheat soars.

The price of wheat soars, when a war cuts off a portion of the world's supply. Thus, if war were to seal up the Russian, the Egyptian, the Indian or the French ports, the price of wheat would rise. A British war, which would interfere with the supply from these countries, would interfere as much, if not more, with the supply from Canada, for Britain's enemy would assail her wheat ships with exceptional vigour. What would be the effect on Canada? The price of wheat in the Liverpool market would rise, but would not the risks due to war and the increased cost of transportation absorb the difference in price? To these must be added the paralysing effects of uncertainty. But the western farmer is already confronted with a sufficient number of causes of anxiety; drought, hail and frost require no assistance in making the farmer uneasy.

How can the Westerner take a bond of fate and make assurance doubly sure? By making war an impossibility.

Men who take short views are right in saying that the Westerner is more interested in box cars than in battleships.

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But his interest in box cars may lead him to battleships. He follows his wheat with anxious eyes until it reaches the consumer. To-day he clamours for box cars, public elevators, just grading and rapid transportation, because he wants his grain to reach the consumer with the utmost rapidity and in the best condition. If that wheat is in danger on the high seas, the Westerner will call as loudly for a fleet as he ever shouted for box cars and elevators.

The Eastern manufacturer parades his Imperialism until some one suggests an increased preference on British goods, and then we suddenly discover that his Imperialism is skin deep. The reason is clear. The Eastern manufacturer produces for the home market. The Westerner produces for a world market; his wheat and his cattle go abroad. The Westerner is more vitally interested in Imperialism than all the ardent Imperialists of the Manufacturers' Association. What is "made in Canada" is mainly consumed in Canada, but what is grown in Western Canada is mainly consumed in Europe.

The Westerner is not an Imperialist by sentiment. Business not sentiment governs him. The best compliment that he can pay to an enterprise is that "it is good business." Even in religious work he demands observance of business principles. In his devotion to business he doubtless overlooks many things of very great importance, but in the main he is right. What he wants is efficiency. He does not wish everything to be reduced to dollars and cents, but he wants things to be done in an effective manner. The successful man is the man who "makes good."

When the Westerner begins to call for protection on the high seas, he wants protection, not its semblance. He is not craving for a fight. He is not enamoured of a large navy; the pomp and circumstance of war do not appeal to him. He would much prefer to secure peace through trustworthy alliances, through diplomacy, through any means that are justified by honour rather than by war. But, if war is necessary, he does not want to play with

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it; he is too much in earnest. In this respect he will more nearly approach the men of the old land who realize that defeat means death. If then, peace can be assured only by Canada's active participation in the burden of the naval defence of the Empire, the Westerner will not be satisfied with make-believe policies and trifling measures; he will either go into the thing with serious intent or leave it alone.

The form of that participation is not a matter of vital importance to him. His experience has led him to pay little regard to the way, but much to the end. "Get there" is his injunction. He may be shortsighted in paying so little attention to form, but he feels that he has not time enough to waste over discussion of ways. In the rough and tumble of life that man accomplishes the most who presses onward without wasting time considering niceties of expression and action. Respect for local autonomy appeals to him, but not enough to stay his hand if he finds that the thing he wants can be secured only by disregarding local autonomy. Precedent is an excellent thing, except when it gets in the way of getting things done.

If this interpretation of the Westerner's ways of looking at things is fairly correct, then we shall find that as soon as he begins to realize the need of guarding the highway of the seas, he will demand a vigorous policy of national defence. He will not quibble about ways and means, but will insist most emphatically upon efficiency, upon doing something worth while. He will not be terrified by the magnitude of the project, but will rather be fascinated by its far-reaching consequences. Nor will he sit down and carefully consider every penny of income and outgo before making the venture. He will launch forth on a grand project with a big faith that "everything will somehow turn out all right, provided that nothing is spared to make things go."

THE LABOUR MOVEMENT IN AUSTRALIA

I. DEVELOPMENT OF THE LABOUR MOVEMENT

THE labour movement in Australia has now become the dominant factor in the political life of the community; in the Commonwealth Parliament and in two of the State Parliaments (New South Wales and Western Australia)* the Labour party is now in power, while in the other four States it forms the direct Opposition. Hence the evolution of the labour policy, its character and aims, and the causes leading up to the present position are of peculiar interest.

The turning point in the evolution of the labour movement came in 1891, on the failure of the maritime strike, the real object of which was to settle the relative authority and powers of employers and of trade unionists. As the strike spread from trade to trade, industry of every description was paralysed. Public sympathy was divided, but, upon the whole, the people sided with the employers. The workers were completely defeated, and the disorders and embarrassments which the strike occasioned strongly affected public opinion. In the meantime the colonies had entered into a system of lavish borrowing and expenditure, and the period of depression that followed, culminating in the financial crisis of 1893, was accompanied by a wave of social discontent. The failure of the strike made the workers distrust trade-union methods, and their leaders saw the need of adopting new tactics. Friendly and unfriendly advisers from all classes of the community pointed out the

* In South Australia the Labour Government was defeated at the General Election, held in February, 1912.

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evils of industrial conflicts and urged the adoption of constitutional methods. The workers were told to send their own representatives to Parliament to right their wrongs. They took the advice, and a unified and consolidated political Labour party in the Parliament of each colony was the result.

The effect of the maritime strike was thus to cause labour to become a new force and a new party in political life. The movement grew rapidly in each colony, and in each, as opportunity offered, candidates from the new party were put into the field, with a considerable measure of success. Political labour leagues were established, conferences held, and platforms drafted. The first general elections to be held after the establishment of this new régime were in 1891, when 29 members were returned on the party's platform in New South Wales.

For some years the Labour party in the State Parliaments supported that party which accorded the greatest measure of favour to the labour platform, and with increasing numbers was soon able to maintain the balance of power; in this way the domination of the Labour Party in party alliances is frequently manifest in the course of legislation. Though there were special distinctive features in some of the States, the general development of the Labour party throughout Australia has not varied greatly. The farmers appear disposed to distrust the trade union organization and the socialistic land theories of the Labour party, and the growth of the movement has accordingly been more vigorous in communities where mining and pastoral interests are proportionately strong, such as Queensland and Western Australia, than in agricultural States such as Victoria and Tasmania.

This fact is indicated in the following statement which shows the general numerical progress of the party in each State legislature since 1891, and in the Federal legislature since the year 1901, when the first Commonwealth Parliament came into being.

DEVELOPMENT OF MOVEMENT

Year.	C'mon. wealth.	N.S. Wales.	Vic-toria.	Queens-land.	S. Aus-tralia.	W. Aus-tralia.*	Tas-mania.	Total.
UPPER HOUSE.								
1891	—	—	—	—	3	—	—	3
1901	8	5	—	—	3	2	—	18
1912	23	9	3	2	6	6	1	50
LOWER HOUSE.								
1891	—	29	4	3	—	—	—	36
1901	16	21	11	20	12	7	—	87
1912	41	46	19	25	16	34	13	194

Taking into consideration the total number of Members, the above figures show that in the Upper House in 1891 slightly over $1\frac{1}{3}$ per cent of the members were Labour men; this had increased in 1901 to $7\frac{1}{4}$ per cent, and in 1912 to over 20 per cent. In the Lower House the corresponding percentages are 8 in 1891, 18 in 1901, and nearly 47 in 1912. The large Labour element in the Commonwealth Senate is chiefly due to the fact that that Chamber is the only one of the Upper Houses in which the franchise has been placed upon a popular basis.

II. LABOUR POLICY IN THE STATE PARLIAMENTS

IT is true that the majority of the voters who support the Labour party do not look beyond one or two measures specified on the platform which they desire to see passed into law; yet each such law suggests another, with still more attractive possibilities. And so, though there appears to be no finality to the labour programme or to the demands of the trade unionists, the present trend of labour policy in the States can be gauged to some extent by an examination of the latest proposals of labour leaders. These

* The figures given do not include a number of what may be called advanced democrats. It should be borne in mind that reductions in the number of seats were made in all the State Lower Houses except Queensland and Western Australia during the period under review.

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are embodied at periodic conferences of the various labour leagues for each State (as well as for the Federal Labour party), in what are known as (a) a "fighting platform" which indicates the practical proposals for which public opinion is considered ripe; (b) a "general platform" which contains other proposals of a propagandist nature; (c) an "objective" which is intended to express the ultimate aims and objects of the party. As an illustrative example reference may be made to the fighting platform adopted by the New South Wales Political Labour League in January, 1912. The six planks of that platform are entitled: (1) Constitutional reform. (2) Effective Land Settlement. (3) Nationalization of Health. (4) Equitable industrial laws. (5) Educational, and (6) State iron industry.

As regards Constitutional reform every State labour platform favours the abolition of the Legislative Councils. Though the party has not espoused any Constitutional theory hostile to bicameral legislatures, it is considered that the so-called Upper Houses have regularly opposed the popular reforms demanded by the Labour party, and they are regarded as inimical to democratic legislation. Economy, as well as expediency, is said to demand a single House. The same argument is advanced to advocate another proposal popular with the party, namely to abolish the importation of State Governors, leaving the Governor-General of the Commonwealth the only Imperial official. The initiative and referendum are advocated by the party in all the States; by these terms it is understood that the people shall have the power not only to initiate new legislation independently of Parliament, but also to veto any legislation of which they disapprove.

The main features of the labour policy with regard to land tenure and settlement are the compulsory resumption of private holdings and the cessation of alienation. The Labour party thus hope gradually to make private ownership the exception, and aspire eventually to the complete nationalization of land, which to a member of the party need seem no

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far-off and hopeless dream when it is realized that of the original public domain of the whole Commonwealth only a fraction over 5 per cent has been alienated, while very nearly 50 per cent is still unoccupied under any form of tenure. Upon these matters of land policy the farmers and the agricultural community generally join issue with the Labour party. Several laws have been enacted in the various States providing for village settlements and co-operative communities, but these measures have not generally proved successful—in some cases probably through inefficient administration—and though favoured by the Labour party as political projects, they have not been supported as economic enterprises.

The State control and administration of charitable institutions, such as hospitals and asylums, is generally advocated by the Labour party in all the States. The New South Wales platform provides for (a) free and decentralized medical, surgical, and nursing services; (b) State maintenance of hospitals; (c) Special care of maternity and protection of child life; and (d) supervision of unhealthy and dangerous occupations.

As regards industrial legislation, one of the chief directions in which the influence of the Labour party has made itself felt has been in supporting the institution of wages boards and courts of conciliation and arbitration. In this direction the State legislatures have been converted into a species of laboratory for economic experiments. The wages board form of industrial legislation began in Victoria under the ægis of the Liberal party in 1896, and has been followed by Queensland, South Australia and Tasmania, while New South Wales and Western Australia adopted compulsory arbitration from the beginning. The object of the wages board system was primarily to mitigate or abolish sweating. It was quickly extended to the fixing of a minimum wage in certain industries. In practice it works out that the minimum which the boards fix is ordinarily the maximum which the employer will give, so that in effect minimum and maximum

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become identical. The arbitration court system attacks the problem at the other end, and aims primarily at preventing strikes; this has, however, worked out in practice to be the wages board solution of enforcing by law certain definite minimum conditions of employment in each trade. Probably no other measures discussed by the Australian legislatures have awakened more general interest, or have had more influence in determining political parties and cabinet crises than industrial legislation of the class referred to.

Though these forms of industrial legislation have, without doubt, done much to mitigate "sweating" conditions of labour, and have in many cases materially improved the economic condition of the worker, many supporters of the Labour party argue that these measures can in themselves never be permanently efficacious to secure to the worker a reasonable standard of comfort consistent with the welfare of the community, or to gain for the worker a fair share of the profits of his industry. The wage-earner is beginning to find that, though his wages have risen, his expenditure, and especially that part of it which represents the cost of necessaries, has gone up at even a greater rate (owing partly to the increased labour cost, partly to causes operating to produce the world-wide movement in this direction, and partly to other local economic and social causes). It is on these grounds that many of the Labour leaders plead that, until the State regulates the whole system of wealth production and exchange, all attempts at wage regulation are mere delusions. The Australian Socialist is driven by the logic of his own proposition towards the goal of nationalization and the establishment of a cooperative Commonwealth.

The Labour Party has advanced ideas on the subject of education and it hopes to bring them into operation by evolutionary stages. The New South Wales platform provides for primary, secondary, technical, and university education to be free and secular, and all educational requisites to be furnished by the State. In the view of the Labour

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Party it should be the business of the State to discover for what life's work each pupil is best fitted, and to train each one accordingly. To quote the Queensland *Worker*:

Cramming will be stopped. The time now spent in brain-paralysing accumulation of futile "facts" will be devoted to serviceable studies and to the training of eye and hand. . . . Many, displaying exceptional gifts, will be sent abroad to benefit by whatever foreign lands can teach; others will be drafted into the universities for special studies; all will receive the individual attention and the close cultivation to which their capacities entitle them.

The establishment of State ironworks is specially included in the New South Wales platform in view of the fact that the only blast furnaces in the Commonwealth are situated at Lithgow in this State. Although a bounty is paid by the Commonwealth Government on all iron produced (from Australian ore) at these works, their development has been slow, owing largely to repeated industrial troubles. In other States the Labour platform goes many steps further and includes under the heading of Collective Organization of Industry, not only the establishment of State farms, mines, factories, and shops, but also the marketing and distribution of produce by the State.

The majority of the planks in the New South Wales platform which has been referred to are common to all the State Labour parties' platforms, while the remainder are common to two or more of the States. The preceding paragraphs will serve, therefore, to give some general idea of the main features of the Labour party's policy in the State Parliaments, and we may now pass on to consider the aspirations of that party in the Federal Parliament.

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III. LABOUR POLICY IN THE COMMON-WEALTH PARLIAMENT

THE evolution of the Labour policy in the Commonwealth-Parliament has been favoured by the comparative freedom of its supporters from local precedents, traditions, and inter-State jealousies, and the consequent sympathy of the Party with the national idea of federation. Trade-union congresses and the early proposals made for the federation of labour organizations bore fruit indirectly, inasmuch as they accustomed the labour leaders to think from a national point of view at the time when the older parties were grouped in single states on party lines. With the advent of federation, the Conservative parties of New South Wales and Victoria were ranged in opposition in the National legislature, and entirely new questions, which parties organized on local lines were not prepared to meet, appeared on the political horizon. Amidst these conflicting interests, so perplexing to the older parties, the course of labour ran comparatively smoothly. Several years prior to this—after their first experience in the New South Wales Parliament—the party had agreed to subordinate the tariff to strictly labour issues. Moreover their policy as to State control of industries was consistent with the idea of a protectionist tariff, especially with Protection as a National, rather than a local State policy. The party was already organized on an inter-state basis, so that questions of personal leadership had been settled. Furthermore, it was gradually realized that the chief reforms advocated by the party could be more effectively secured through a National Government than through the local legislatures.

The most recent Commonwealth Labour platform was formulated at the labour conference held in Hobart in January last. The results of this conference will furnish the political texts for the Labour party for the next two years, and in view of the fact that the party is now charged

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with the responsibility of office in the Federal Government, and further that, no matter what the result of the next General Elections may be, the party must be the controlling factor in the Senate, the Hobart Conference is viewed by the delegates as the most important labour gathering yet held in Australia. Turning to the amended platform we find that its eleven planks are as follows: 1. Maintenance of white Australia; 2. Graduated tax on unimproved land values; 3. Effective federation; 4. The new protection; 5. Nationalization of monopolies; 6. Arbitration Act amendment; 7. Navigation laws; 8. Commonwealth freight and passenger steamers; 9. Restriction of public borrowing; 10. General insurance department; and 11. Commonwealth sugar refining. In the official report of the conference it is specially mentioned that the following planks of the previous platform had been made law: 1. White Australia; 2. Old-age and invalid pensions; 3. Graduated tax on unimproved land values; 4. Citizen defence force, with compulsory military training and Australian-owned and controlled navy; 5. Commonwealth bank; and 6. Electoral reform. With the exception of four planks relating respectively to the new protection, nationalization of monopolies, Arbitration Act amendment, and navigation laws (replaced as Nos. 4, 5, 6 and 7 in the new platform), these comprise the whole of the legislative policy put forward by the party in their previous platform of 1908. And it should be observed that the realization of the first two exceptions mentioned was dependent upon the approval of the proposed laws at the Referenda last year,* while bills relating to the last two have been introduced but not yet passed. It is obvious, therefore, that at any rate as regards legislative action a good deal has been accomplished, and in fact it is now asserted that in view of the failure to obtain enlarged constitutional powers at the Referenda last year, the party has, so far as useful legislation is concerned and more particularly as regards industrial matters, come to a

* See THE ROUND TABLE, No. 3, pp. 329-343, also No. 4, pp. 500-508.

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“dead end.” Hence it is not altogether surprising, even in view of the large majority against the proposed amendments in April, 1911, that the Conference unanimously decided that another appeal must be made to the people and that the same powers should be sought by referenda to be submitted at the next general elections. This resolution is now embodied in the third plank of the new platform under the title of “effective federation.” The form of the questions will be decided by the caucus, and it is probable that they will be split into five or six instead of being lumped together as on the last occasion.

Though the amended platform will not strictly come into operation until after the next general elections, since the present Labour members have not signed it, it will be of interest to examine briefly the various planks in the light of past events, and of certain statements issued as a result of the caucus meetings, which, at the time of writing, were being held.

The “White Australia” policy is to be interpreted literally, and means the reservation of the whole Commonwealth territory for the exclusive occupancy of people of European stock. At present the most important practical phase of the question is the development of the tropical territories with white labour, and in view of the taking over by the Commonwealth from South Australia of the Northern Territory at the commencement of 1911, the Commonwealth Labour Government is now brought face to face with this problem. The Labour party is beginning to realize that, in view of the growing demand which modern nations make on the material resources of the world, it will be difficult for any nation to lock up perpetually large tracts of productive country. For defence purposes, too, it is recognized that the settlement of the Northern Territory is a matter of urgency. The Commonwealth Government has recently formulated a land policy on the leasehold system for the settlement and development of the territory; in the meantime an Administrator and other officers have been appointed; exploration parties, including men of high

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scientific attainments, have been sent out, and the capacities of the country are being tested in various directions. A Government-owned steamer is to be provided for the use of settlers on the Daly River, and a Bill is to be introduced next session providing for a settlers' bank. The idea is that a man will be able to go to the Territory, work for wages for a few months, then go to the bank and be started on a leasehold block with cattle, a house, and implements. Whether the progress of science and invention, as applied to tropical industries, and a more rapid physiological adaptation to climatic conditions than is now anticipated, will enable the ideal to be realized, yet remains to be proved. In the meantime the "White Australia" policy will remain a leading question.

The beginning of the extension of the existing railway as far as the Katherine River (about sixty miles) is intended this year, but no general scheme of railway construction will be adopted until a committee of three experts, to be appointed shortly, have gone over the ground and furnished recommendations.

In regard to the building up of an agricultural population, the attitude of the Labour party in the Commonwealth legislature has been one of *laissez faire*. The professed reason for this policy, while containing a certain amount of truth and justification, is largely a false pretence. The Party allege that it is useless, and even dangerous, to invite people to come to the country under present conditions, that there is now no land available, that the only suitable areas, within reasonable distances of railway lines or any areas in remoter portions on which a settler could hope to make a living or bring up a family, except under conditions of unendurable hardship, are alienated in freehold, and their ownership concentrated into large holdings. Hence the third Labour Government imposed in 1910 a progressive land tax, with an exemption, except in the case of absentee holders, of £5,000 unimproved value. As a result of the first year's operation of this tax it is now claimed that it is achieving

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its main purpose, that of breaking up big estates. The assessments for the second year's tax show a falling off of about 10 per cent, which is stated to be largely due to the effect of the first year's tax in breaking up estates.

The third plank in the new platform, entitled "Effective federation," provides for the resubmission, by referendum, of the proposal submitted in 1911, and has already been alluded to. This was probably the most important matter which demanded the attention of the Conference, since not only has the Commonwealth Government under the existing Constitution no power to nationalize any industry, but also practically the whole realization and development of the Labour policy is dependent upon whether the party can succeed in obtaining the sanction of the people to the enlarged powers sought. Thus we find that in the absence of such powers it will be impossible for the Labour party to realize any of the fourth, fifth, eighth, or eleventh planks of the new platform.

What is known as the "new protection" is the subject of the fourth plank and is a proposal which originated with the Labour party at an early stage in Federal politics. The object of this system is stated to be to guarantee the Australian market to Australian manufacturers, on the understanding that they would pay fair and reasonable wages, and that they would not enter into combines and trusts, nor overcharge the consumers for their goods. The principles of this system were embodied in the Excise Tariff (Agricultural Machinery) Act, 1906, which imposed an excise duty on a scheduled list of agricultural implements manufactured in Australia, and then proceeded to declare that the duty should not be payable on goods manufactured under the prescribed conditions as to remuneration of labour and other matters. This Act, after nearly two years of dislocated industry and expensive litigation, was declared unconstitutional on the grounds (a) that it was an attempt to regulate the internal trade and industry of the States, (b) that it discriminated between States and parts of States,

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and (c) that it contained provisions dealing with matters other than the imposition of taxation. Though the policy of the party in respect of this matter is indefinite, it was stated by the Prime Minister at the Hobart Conference that, if the constitutional amendments are carried, the system will be brought into effect.

The fifth plank, relating to nationalization of monopolies, may be considered in connexion with the eighth and eleventh planks relating respectively to Commonwealth freight and passage steamers and to a Commonwealth sugar refinery. Though various proposals for the nationalization of industries have been made, and two or three of these expressed in the form of resolutions in one or other of the Federal Houses of Parliament, no definite scheme for such a step has ever been officially brought forward by the Labour Government. The objective of the party in this direction may be gauged from the propaganda put forward in the manifesto issued in March, 1910, prior to the last General Election. In that document it was stated that the nationalization of monopolies demanded the urgent attention of the people; that the capitalistic system was developing on the same lines as in America, and that nothing short of nationalization would prevent the exploitation of the people. The sugar monopoly, tobacco combine, coastal shipping, and the coal vend were specially mentioned. In addition to the planks relating to Commonwealth steamers and to a Commonwealth sugar refinery, two other resolutions dealing with the subject of nationalization were passed by the Conference in January last, viz.: (1) That publicly owned ironworks are an urgent necessity, and (2) that the sale of alcoholic liquors in the Federal territory (i.e. in the Northern Territory and in the Federal Capital Territory) be nationalized.

As regards the Arbitration Act amendment (plank 6), the only resolution passed by the Conference specifically relating to this matter was to the effect that the Act should be amended so as to prohibit members of the legal profession

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from appearing before the court for either party. It was stated that a recent case, in which a union composed mainly of pastoral workers was concerned, cost no less than £26,000 in lawyers' fees for both parties. The question of amending the Act has, however, two other important bearings—first in regard to “effective federation,” since the power of the Commonwealth to make laws in regard to conciliation and arbitration is at present limited to disputes extending beyond the limits of any one State; and secondly in regard to the matter of “preference to unionists.”

This question of preference to unionists is one which has been an important feature of the Labour policy. Its justification is that it encourages the formation of unions for the purpose of bringing about industrial peace, as it is considered that the existence of men outside such organizations makes the securing of peace by a Court more difficult. Further, in the view of many, the man who pays for the cost of conducting a case before the Court has a right to receive the benefits of the award in preference to the individual who does not pay for it. The history of the question is as follows:

In the first Commonwealth Conciliation and Arbitration Act power was given to the Court to direct that preference of employment or service should be given to members of registered unions, but this power was hedged round with safeguards which exercised a restraining influence on any tyranny of union control. The first Labour Government came into power in April, 1904, but being defeated in a proposal to give unconditional preference to unionists, resigned in the following August.

In 1909 the second Labour Ministry introduced an amending bill by which it was proposed to tie the hands of the judge, by making it mandatory that preference should be given to unionists; it was pointed out, however, that such a provision would be unconstitutional, and a new clause was therefore inserted partly restoring the discretionary power to be exercised “whenever, in the opinion

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of the Court, it was necessary for the prevention or settlement of the industrial dispute, or for the maintenance of industrial peace, or for the welfare of society." An interesting development of the Labour policy of preference to unionists occurred in September, 1911, when the Minister for Home Affairs issued directions that preference should be given to unionists in connexion with Federal public works. This will apply, of course, to such works as the building of the Federal capital, the construction of the trans-continental railway, and public works for the purpose of military and naval defence.

In connexion with this question of preference to unionists the Trades Mark Act passed by the Coalition Ministry of 1905 and inspired by the Labour party is interesting. This Act did not merely co-ordinate and amend the various State Acts on the subject, but also sought to give preference to unionists by introducing the "union label" for all goods wholly manufactured by members of trade unions. If followed up, as the Labour Councils apparently intended it should be, by all members of trade unions refusing to deal at any shops except those which kept union-label goods, the effect of this provision would probably have been to lead employers into compelling their men to join unions, or accept dismissal. After a period of two years, during which the "union label" clause was a source of trouble and contention, a test case was brought to decide the constitutionality of the clause, which was declared invalid, not only because the label was not a trade mark in the proper sense, but because the clause was an attempt to regulate the internal trade of the States.

The subject-matter of plank number 7 (navigation laws) has now been before Parliament for nine years. It has been considered by a Royal Commission, carried to London and discussed by the Imperial Conference, and sifted through many processes in Australia. Last year it went through the Senate and in response to eager requests from the seamen's union it was taken to its second reading stage in the House

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of Representatives. The caucus has now agreed that it is time that it was passed and it will be taken early in the forthcoming session, of which it will form one of the principal features. Labour members hold that any such calamity as the "Titanic" disaster could not have happened in Australian waters under the provisions of the Bill. Various resolutions relating to the Bill were passed at the Hobart Conference, and it is understood that its provisions are to be made more stringent in view of the recent disaster in the Atlantic.

Restriction of public borrowing is one of the main features of the Federal Labour Government's financial policy, and in accordance with that principle all expenditure, including the cost of the Australian fleet unit amounting to upwards of £4,000,000, is being paid for out of revenue (with the exception of certain items which are being paid for out of an advance from the Notes Trust Fund referred to below).

The Australian Notes Act, 1910, providing for the issue of paper money by the Commonwealth, was claimed by the Labour party to be the first step towards the inauguration of a Commonwealth Bank. Mr Fisher had promised such an issue in March, 1909, and had told his hearers that it would add £100,000 to the revenue at the expense of the banks. Under the Act there is no limitation as to the amount which may be issued, but the Treasurer has to hold in gold not less than 25 per cent of the total issue. The Bank Note Tax Act was simply the corollary of the Notes Act; it levied a tax of 10 per cent on all bank notes in circulation after a stated time, and thus practically prohibited their issue.

The general principles of a scheme for the establishment of a National Bank were adopted at the Inter-state Labour Conference of 1908. No sound business reason appears to have been advanced for the establishment of such a bank, the Commonwealth being already amply provided with banking facilities, prudently managed; its advocates apparently content themselves with declaring that the project is a step in furtherance of the policy of the nationalization

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of all means of distribution, exchange and production of wealth. The Act providing for the establishment of the Bank was passed in December last, and a Governor has recently been appointed at a salary of £4,000 per annum. The bank is to be incorporated as the Commonwealth Bank of Australia, and is to have the general powers of an incorporated bank, but it may not issue bank notes. The capital will be £1,000,000, raised by the issue of debentures, and the expenses of establishment will be provided out of the consolidated revenue fund, and subsequently repaid. The Governor is now engaged in organizing work. Arrangements are being made for officers of the Postmaster-General's Department to act as savings bank officials, and it is understood that operations will commence in Victoria at an early date. One of the objects of establishing the Commonwealth bank is stated to be to facilitate the transfer of the State debts by affording suitable administrative machinery for the consolidation of the stock; no definite policy in regard to this matter has, however, been formulated by the Labour party. In December last an Act was passed providing for the issue of Commonwealth inscribed stock in any case where authority to borrow is granted by any Act, and in the same month another Act was passed authorizing the advance from the Australian Notes Trust fund of a sum of nearly £2,500,000, to be applied towards the construction of the trans-continental railway and to other purposes.

In regard to the tenth plank (general insurance department) no declaration as to the policy to be pursued by the Federal Government has been disclosed. The plank relates to a general insurance department with non-political control, and though the need for such a department is by no means obvious, it is probable that the Labour party, if successful at the next general elections, will introduce a measure to provide for such a department. This plank does not refer in any way to what is known as social insurance, and a resolution favouring a system of compulsory and contributory insurance against sickness, accident, mother-

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hood, and old age only found three supporters when put to the vote at the Hobart Conference.

In addition to the matters indicated in the platform, a number of resolutions dealing with other matters were passed by the Hobart Conference. The delegates declared against elective ministries, and a proposal for preferential voting at Federal elections was lost on the voices. Nationalization of inventions was negatived, but government rewards for inventions of public utilities were generally recommended. Various proposals for a Federal executive of the political labour leagues were lost; the organization was left as before the Conference, except that, with the object of avoiding some of the ridiculous proposals on the Conference Agenda Papers, it was directed that only such items as have been passed by State conferences, State executives, or the Federal Labour party are to be put before inter-State conferences. The Conference affirmed the principles of (a) international arbitration as opposed to war, and (b) universal decrease of armaments, and resolved that the abolition of the several State Upper Houses was desirable. Another resolution directs that the portfolios in the Federal ministry be re-allotted by exhaustive ballot after each general election. Should the party return to power next year, ministers must therefore resign and submit themselves for re-election at the hands of the caucus.

Some of the matters in regard to which resolutions were passed by the Conference are small enough to be embodied in amending legislation during the forthcoming session without submission to the public as issues of a general election. In addition to the Navigation Bill the Government will probably introduce measures dealing with electoral redistribution (consequent on the results of last year's census), banking law, Northern Territory constitution and public service, bankruptcy law, copyright, and amendment of the compulsory training provisions of the Defence Act, and of the Public Service and Land Tax Acts. The Prime Minister has also announced his intention to introduce a bill provi-

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ding for a maternity allowance (probably of £5) to the mothers of all children born and registered in Australia. Should negotiations with Canada, New Zealand, and South Africa produce the desired results, it is probable that bills providing for reciprocal trade with these Dominions will be introduced. It is stated that the bills for the proposed laws for the alteration of the constitution will be held back till late in the session.

The realization of the Hobart platform will mainly depend upon the results of the next general elections and upon the fate of the proposals which are to be submitted by the referendum at the same time. What these results will be it appears at the present stage impossible to forecast. One thing is certain, that the opponents of the Labour party have not a set of proposals so well defined, so clear cut, as those which appear in the Labour platform given above. It seems impossible to bring the non-Labour bodies into line one with another. Those who attempt to do so make the mistake of ignoring the fact that the lines of party cleavage are not clearly drawn only between the Labour and non-Labour parties. Though nominally only two, there are in reality three parties, each with distinct aims and each animated by a different spirit. These three are Labour, Liberal, and Conservative. The failure of the two coalitions between Liberal and Conservative, which have been formed since federation, and the inefficacy of the attempts of party leaders to arrange the differences between the non-Labour leagues at present are due to the underlying diversity of aim and spirit in the two non-Labour parties. The great need of the present moment, from the anti-labour standpoint, is a constructive Liberal policy, similar to that with which the first Liberal Ministry faced the first Federal Parliament.

The full significance of the Labour policy can hardly be gathered from its formal statement on the party's fighting platform, which is intended to indicate the practical proposals for which public opinion is considered ripe. The ob-

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jective and the general platform must be studied to get an adequate idea of the propagandist side of the movement. The first part of the federal objective declares for: The cultivation of an Australian sentiment, based upon the maintenance of racial purity, and the development in Australia of an enlightened and self-reliant community. The second runs: The securing of the full results of their industry to all producers by the collective ownership of monopolies, and the extension of the industrial and economic functions of the State and Municipality. It cannot be doubted that in general the platform has won the party popular support. Containing definite proposals, it counts more with the masses than the doctrinaire proposals and hazy policies of the older parties, and though there is little social idealism among the rank and file of the party, the working men generally are Socialistic in their beliefs, most of them as yet unconsciously so. The rank and file of the party hardly look beyond their own day and generation—nor do they theorize about the functions of government. They support the party in order to obtain more favourable wages and hours of labour and other economic reforms. On the other hand, Labour leaders are fully conscious of their Socialistic purpose. They are perfectly candid in stating it to their supporters, but as they are practical politicians, and have experienced the responsibility of office, they are so much the more conservative in their policy put forward in their “fighting platform.” They are endeavouring, gradually and without unduly disturbing existing conditions, to abolish private employment, and thereby to solve the economic problem of securing to the worker a fair share of the profits of his industry. Unfortunately there are not sufficient data available to determine to what extent, if any, the worker has benefited by the efforts of the Labour party. Few of those prominent in the Labour movement are communists; most of them are sceptical as to the possibility of establishing economic equality, and none of them look forward to making a grand division

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of the country's wealth among all citizens. But they have faith that the Government can in some way eventually succeed in securing to every man a larger share of the results of his labour. It is towards this end that the policy of the Labour party is directed.

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I. THE DIFFICULTIES OF THE COALITION

THE four main measures of the present session are those dealing with Home Rule, Welsh Disestablishment, Franchise Reform, and the right of Trade Unions to use their funds for political purposes. The full majority of the Liberal, Irish and Labour parties over the Unionists is 114.* The Home Rule Bill passed its second reading on the 9th of May by a majority of 101, the Welsh Disestablishment Bill on the 16th of May by 81, the Franchise Reform Bill on the 12th of July by 72, and the Trades Union Bill on the 6th of August by 100. In the case of the Home Rule Bill seven days had been spent in Committee and a little more than one clause out of forty-eight (and four schedules) had actually been concluded when Parliament adjourned on the 7th of August. In the case of the others the Committee stage had not yet begun when the House rose. Even allowing for the fact that the ordinary financial business of the year is well forward, the burden of work awaiting the Legislature when it reassembles early in October is beyond all precedent.

There is no advantage in attempting to follow the fortunes of these measures in the present number of THE ROUND TABLE. This can be done profitably only when they have run their full course of Parliamentary discussion, and have assumed their final shapes. When this will be no man can foretell. The estimates of political soothsayers vary between Christmas and Midsummer. So far there are no clear indications how the country regards any one of the

* Since this was written the Unionists have won two seats.

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Bills. There have been no unforeseen developments. Public opinion for and against appears as yet to have followed party lines, and is very much what might have been expected. The only surprise is the absence of any sign of intense feeling except in the case of the Ulster Protestants.

There can be no doubt that the legislative programme of the government is not the subject which has the strongest hold upon men's minds. Labour unrest, the operation of the Insurance Act, and the naval competition between the British and the German Empires all claim much greater attention. For the moment the plain, hard business of government yields more excitement to the ordinary spectator than the making of laws. And what is, perhaps, even more unusual in this country, certain promises of reform, like the Radical land policy, which are as yet only dimly foreshadowed on the screen of the future, seem to excite more popular notice than those others which have already assumed a definite and practical shape and are claiming all the time and attention of Parliament for the better part of a twelvemonth to come.

There are two theories of the present situation—the one that the government will break because it has undertaken too much; the other that it will succeed because, having invited criticism at so many points, the attack will be concentrated on none. It is urged in favour of the second alternative that the Opposition, as at present constituted, will inevitably lose its sense of proportion, and by a distracted clamour on a great variety of topics, instead of convincing the country, will only confuse it. It must be recognized that a minister with nerve who can carry the Cabinet and his party with him is in a vastly stronger position to-day than was Mr Gladstone, when he piloted his Home Rule Bill through the House of Commons in the prolonged session of 1893-4. In the hands of a master the closure has now become a most formidable weapon, not merely for putting an end to fruitless prolixity, but for smothering unanswerable criticism and for evading unpopular issues. In the old days there was a pro-

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digious waste of time, as soon as Mr Biggar and Mr Parnell had perfected the art of obstruction, but from the point of view of any sagacious Opposition leader the old rules had a much higher value than that of mere delay. For then, if the Opposition got hold of a good point, they stuck to it. When it was defeated in one form they brought it up in another. By reiteration in speeches and leading articles the objection, if it were a good objection, sank into the mind of the country. The government majorities shrunk by surprising accidents and mysterious abstentions. The Whips took alarm. Frequently concessions were the result, occasionally defeats; or else the minister trudged forward, depressed by the long faces of his colleagues and disquieted by the murmurs of the back benches. But now all this is changed. An amendment is moved and defeated; then we pass on to the next. A new mood rapidly obliterates the preceding impression. You can pass your finger through a flame unhurt, though you cannot hold it there. For the purpose of getting Bills forced through the House of Commons the new way—the shorter ordeal by fire—is certainly an advantage. But, on the other hand, it is only by iteration and reiteration that the people can be made to understand; and if popular government is to be a reality and not merely a name it is essential that the people *should* understand what is being attempted on their behalf. At the present time this objection to the new system is felt more acutely by the Unionists because they happen to be in opposition. But it would be a greater objection still from the Liberal point of view under similar circumstances, since the Liberal relies even more than his opponents upon the support of popular feeling for withstanding dangerous legislation.

But whether the final result of the present large programme of legislation will be to destroy the government or to confuse its adversaries, it is clear that Mr Asquith is confronted with difficulties of no ordinary character. His Cabinet is not in itself a coalition, for it is composed entirely of members of the Liberal party; but as it is absolutely

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dependent for its existence upon the confidence and good-humour of the Irish and the Labour parties—both of which are jealous of their independence and neither of which has any representation in the Ministry—it is maintained in power by a coalition of rank and file, and it is in this sense that we have come to speak of it as a coalition government. All coalitions are “kittle cattle,” and a coalition government of this peculiar character is clearly weaker in some respects than one which contained members of all the parties concerned in keeping it in office. But, notwithstanding, up to the present, it has defied all efforts on the part of the Opposition to break up the alliance. Indeed, during the two and a half years for which the Coalition has existed, the period when it was weakest was that immediately following the general election of January, 1910, when it was in its infancy. The “as-you-were” election of December, 1910, had a bracing effect upon its constitution. The Parliament Bill united practically all its members, and put no strain upon the principles of any section. To stick together was a matter of life or death, and it was also easy, until such time as the powers of the House of Lords had been curtailed by statute. But a year has now passed since the Parliament Bill became law, and although the habit of co-operation which was acquired by the Coalition during the struggle over this measure is undoubtedly of much value, it is not capable of standing any great strain of conflicting principles.

No Liberal would contend that at the present time Home Rule, or Welsh Disestablishment, or Franchise Reform, is supported by the same unwavering unanimity, or by the same eager and earnest conviction, as was the Parliament Bill. None of the three, of course, is an object of actual disapproval; in principle probably all are approved by the Coalition; but when it comes to putting the principles into practice there are doubts and even murmurings. What is also abundantly clear is, that enthusiasm is confined in each case to a comparatively small section, and in each case to a different section of the Coalition. Moreover, there has recently

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been a re-appearance of our old friend—the “unauthorized programme”—whose coming is usually the herald of staleness, and sometimes of dissension, in the Cabinet. A campaign for the taxation of the capital value of land has been announced, while for some time past there has been a movement on foot for the reversal of Sir Edward Grey's foreign policy, with the double object of promoting a good understanding with Germany and of enabling us to oppose what is conceived to be the aggressive and illiberal policy of Russia in Persia. These manifestations of independence, of impatience, and of discontent with the official attitude, may possibly mean very little, but they cannot be disregarded. Years in the lives of governments count as decades in the human span, and this government is all but an octogenarian. For it has been nearly seven years in office, and therefore by political reckoning is in its extreme old age, where every symptom must be taken into consideration by the family doctor.

Other causes of difference within the Coalition are found in naval policy and the labour troubles. In both these instances the Radical wing of the party is dissatisfied with the action or inaction of the government. In both the sympathies of the Irish and the Labour men are with the dissentients rather than with Ministers. To some extent the personality of the late Sir Henry Campbell-Bannerman, but to a much greater extent the violence of a natural reaction after ten years of Unionist government, had temporarily obliterated the old, but by no means fanciful, distinction between Liberals and Radicals. At the General Election of 1906 the country voted furiously Radical. Men had grown weary of a “Rump” which refused to budge from office even in the face of the most unmistakable hints that it had outstayed its welcome. The sincere and deep feeling which was evoked by the anxieties of the South African war had disappeared for the most part, leaving behind it a tawdry sentimentality and an empty jargon of taunts and exclamations. The virtue even of Patriotism was gravely suspect, while Imperialism and Militarism—a

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soresly bedraggled pair—were hooted off the stage, whenever they put in an appearance. For the time being the old Liberals were merged in the Radicals, and this state of things lasted, roughly speaking, until the beginning of 1909, when the naval preparations of Germany were explained in ministerial utterances of undisguised gravity. To the bulk of the Liberal party it seemed clear that Sir Henry Campbell-Bannerman's overtures for a mutual check on armaments had been rejected, and that the earnest which he had given of his sincerity in a reduced programme of British shipbuilding had been answered only by an increased programme of German shipbuilding. But the advanced Radicals were not willing to accept this explanation. They charged the government with deliberately provoking a panic, and with a mis-statement of essential facts, and they blamed the course of our foreign policy, which by removing old-standing subjects of dissension with France and Russia, had thereby exasperated the sensibilities of Germany. This rift in the Ministerial lute has never been entirely closed, even in the excitement of the campaign against the House of Lords. It was widened by the declaration of policy made by Mr Churchill, when he went to the Admiralty in the autumn of last year. It has been widened still further by his subsequent utterances, and by the opposite interpretations which Liberals and Radicals, according to their temperaments, have placed upon the facts of the situation.

The effect of office in turning Radical visionaries into Men-of-the-World and Whigs is a proverb. To some extent this has been counteracted up to now by the remarkable wisdom and dexterity of Mr Asquith's management, under which the Cabinet, by one and the same process, has been constantly refreshed with ideals and secured against the unpleasant consequences of rebellion. For no sooner has a young man of promise shown himself above the horizon of debate than he has forthwith been absorbed into the Ministry. But this is only possible for so long as differences do not cut too deep. When they do, the young man of pro-

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mise will not only ease his conscience, but will also serve his ambition better by going into a "cave." And there is a very real difference of view and principles between Mr Massingham and the "moral influence" party on the one hand, and Mr Churchill and the "physical basis" party on the other. The brilliancy of Mr Massingham's writings is equalled by their sincerity, and he undoubtedly speaks for a considerable section of those who have hitherto supported the government in the House of Commons,* and probably for an even larger section of the party in the country. But it cannot for a moment be doubted that on this subject Mr Churchill so far has expressed the views of the great majority of his own party. He has won the confidence, not merely of the quiet men who are by nature inclined to leave decisions to their leaders, not merely of the alarmists, and the timid folk, and the professional partisans, but of a large body of sturdy and independent Nonconformists, like Sir Joseph Compton-Rickett, who, though their sympathies are all on the side of peace, have not forgotten the Cromwellian tradition, and disbelieve in the possibility of any peace which is not based upon a full security. It may be conjectured on the one side that Mr Massingham's sentiments are shared by the Irish and the Labour men, even if they are not openly demonstrated, and on the other side that Mr Churchill's are in the main approved by the Unionists. But there can be no doubt which of the two expresses the present mood of the nation, and it is not Mr Massingham.

The other cause of difference arises out of Labour unrest. When the Parliament of 1906 first met, some people were inclined to think that the majority of the Labour representatives would soon lose their identity and become absorbed in the Liberal ranks. Many of the Labour members owed their seats to Liberal votes, and in some instances Liberal members in like manner owed their seats to Labour

* The 40 or so of malcontents who go into the lobby on Radical amendments cannot be taken as a full measure of the disagreement.

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votes. The Labour party was not a band of red-capped revolutionaries preaching fines and confiscations. In speech, manners and outlook, they were very similar to their allies. The prevailing spirit was the spirit so characteristic of the British middle classes—a zeal for the redress of grievances, real or imaginary, in a common-sense way. It must also be noted that as the Liberals had a large majority of the whole House, there was not much profit to be gained by any irritating display of independence on the part of either section of their allies. But when the first general election of 1910 made the support of the Labour party a vital consideration to the government, any tendencies there may previously have been towards fusion were immediately arrested. There is nothing which fosters the spirit of independence so effectively as the discovery that others are dependent upon ourselves. And there is nothing which preserves independence so well as the knowledge that it has a high market value. After the election of January, 1910, the delicate balance of political parties alone, without any other change in the circumstances, must inevitably have tended to crystallize the Labour members into an entirely separate organization.

But there have been other changes in the circumstances. There have been important internal changes affecting the spirit and methods of the Labour movement, and tending in the direction of socialism. There have been even more important changes arising out of the many strikes which have occurred during the past eighteen months. It is hardly conceivable that any government which is prepared to act as a government, no matter how sympathetic its attitude may be, can avoid a certain loss of popularity with the Labour party during a period of industrial conflict. For the first business of all governments alike is to maintain law and order, and they can only escape from this responsibility by suicide.

The restiveness of the Labour party in the House of Commons first came to a head during the railway strike in August of last year. The announcement of the government

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that they intended to protect the food supply of the community by using the army if necessary to maintain an adequate railway service was bitterly resented. In the more recent coal strike the government incurred reproach because its legislation to end the struggle did not go so far as the men desired. In the still more recent dock strike it has added to its unpopularity by a refusal to interfere at all. If the results of these various conflicts had been increasingly favourable to the men the attitude of the government might have been forgotten in the victorious progress. But there has been no victorious progress. The issue of the strikes has been decreasingly favourable to the men. During the shipping strike in June of last year the men carried all before them, partly because the employers were unprepared, but chiefly because the balance of right and justice was clearly on the side of Labour. But in the railway strike in the following August the concessions wrung from the companies were only of a moderate character, and were granted, as we now know, because the government put pressure on the directors to end the dispute in view of the anxiety of the foreign outlook. The strike of London tailors last May was a complete and ludicrous failure; the dock strike has been a complete and tragic one.

Public opinion, reacting from the exaggerations of newspapers and platforms, has recovered from the very violent attack of nerves which afflicted it at the beginning of the coal strike, and has swung round to the opposite extreme of confidence and carelessness. Public opinion, nourishing itself upon headlines and sensational reports of street-corner oratory, upon the threats, boasts, and blasphemy of a few agitators who have made a great mistake and know it, seems to be in danger of forgetting the essential fact, that thousands of quiet workmen—as kindly of heart as the most virtuous and orderly inhabitant of South Kensington—do not watch their children and their wives starve and sicken through ten long weeks of a London summer, unless, in their opinion, there is something more at stake than a small rise in

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wages and a few modifications in the terms of employment. But public opinion, with eyes and ears only for the vanity and violence of one or two intriguing mountebanks, thinks it understands the whole case and is outraged at any idea of government interference. Even charity (in England rarely a laggard) is less free-handed than usual, and gives, not, indeed, grudgingly, but doubtingly; haunted by the fear that more harm will come of it than good. Labour beginning with high hopes and a brilliant victory finds itself thoroughly beaten at the end of the campaign. The judgment of those who instigated the recent strikes has been bad for a year past and has grown steadily worse. We are told that the Labour members in the House of Commons have been well aware of this, but that they have used their powers of dissuasion in vain. They have been powerless to hold in their men and to prevail against a new generation of ambitious and inexperienced rivals. They are blamed, nevertheless, by everybody—by these very rivals, by the men, by the Liberal party, and by the country. And all this does not tend to draw the Labour party closer to Mr Asquith's government.

This dock strike is one of the strangest phenomena which have occurred in recent times. Its motives are wrapped in obscurity. We see little clearly except the match which lit it and the charred remains. The speeches of leaders, some of whom seem to be men of excellent sense and feeling, and the articles in Labour journals, alike leave us uninformed. It seems as if the underlying principles had not yet found any means or formula of articulate expression. An idea may be a very formidable force, and yet be only expressible at the beginning in a string of curses. The incoherent orator has not explained the matter to us any more than the dumb crowds at the dock gates. All we can be sure of is that there is something which stands very much in need of explanation. He must be a very superficial observer of events who does not see something very solemn and moving in this foiled upheaval. Is it the envy of other men's possessions, or a revolt against injustice? Is it sordid or noble, a hunger or a

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passion? Occurrences in the mean streets of East London during the past ten weeks have been apt to strike us as purposeless and squalid: are they perhaps manifestations, none the less, of the same spirit which, as we look back, appears so sublime at Valmy, but which is still an unread riddle after more than a hundred years? One fact is clear enough—between the leaders of men whose spirits are disturbed in this fashion, and a cabinet intent upon reforming the Irish Constitution, and disestablishing the Welsh Church, and amending the law as to the registration of voters, there is a great gulf fixed. To the Labour party it may perhaps appear as the gulf separating reality from unreality.

From another point of view it is interesting to consider the strength of the ties which compel the Irish and the Labour parties to common action. The Labour party is said to be hand in glove with the Irish party, and it is natural that these two sections, neither of which participates in the honours and responsibilities of office, should stand in a closer relation to one another than to their Liberal allies. But it is not clear that the Irish have much sympathy with the ideals of labour, any more than it is clear that the Labour men have much interest in the question whether the Act of Union is to be superseded or maintained, or whether Ireland is to be made into one separate community or into two. The programme of the Labour party is detested by the Roman Catholic Church in Ireland as elsewhere. It is repellent, with its doctrines of State-ownership and State-control, to the minds of peasants and agriculturists; and in Ireland there are but two large cities—Dublin and Belfast—so that public opinion is largely the farmer's view. The Irish motive for keeping well with Labour at the present time is to pass the Home Rule Bill. The Labour motive for keeping well with the Irish is to pass Labour legislation. Both are strong motives so long as their objects remain unsatisfied. But when Home Rule is achieved Irish representation at Westminster will be reduced by more than half, and it may easily be that the Irish members who remain there will have

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no sufficient inducement of a political kind to overcome their natural antipathy to the Labour programme.

For all these reasons we may conclude that the Coalition is at present passing through a very critical stage. Its chances of cohesion are less than they were a year ago, or even six months ago. Labour is exasperated for the reasons we have already given. Liberals are exasperated by the slackening of Labour support in the division lobby, and by the three-cornered contests at by-elections, where the Labour candidate has had no real chance of success, and where the effect of his standing has been to endanger or to lose the seat for the government nominee. The Irish are disquieted by these signs of division. They are disquieted also by a suspicion that the government itself is not wholly united as to its policy, that it is becoming weary of its existing embarrassments, and that its nerves are beginning to be affected by the dread of the still greater embarrassments which seem likely to arise out of the unbending hostility of Ulster. It was calculated that the effect of the Parliament Bill would be to maintain the government in power for at least two years, until the first crop of its measures had been passed under the operation of the new statute. But this confidence no longer exists, and although no one believes that Mr Asquith is riding for a fall, no one would be surprised if yet another general election were after all to be fought on the subject of Home Rule. Mr Healy and Mr O'Brien have always prophesied that this would be the case, and many people on both sides would agree with them to-day who thought otherwise only a few months ago.

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IT becomes interesting, therefore, to consider the question of an alternative government. If Mr Asquith were defeated in the House of Commons in some important division on

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Home Rule, Disestablishment, or general policy, would he resign? It appears almost certain that he would. Would the Unionist leaders in that case accept office? This can hardly be doubted, and the immediate result would be another general election. Is it probable that in this appeal to the country Lord Lansdowne and Mr Bonar Law would win the eighty seats which are necessary to give them a working majority of forty? Is there anything in the measures to which the Unionist party is pledged, or in the methods which it has pursued in recent times, or in the calibre and character of its chief men which can be relied upon by the Liberals to counteract the natural swing of the pendulum against a government which has been in office for seven years? How stands the credit of Unionists with the country as regards their measures, their methods, and their men?

The first of these is the least important. What turns the scale in the country is rarely any clear perception of what the new people are going to do, but, far more, dissatisfaction with what the old people have already done or have left undone. After seven years, even a Cabinet of archangels would find a heavy bill of dissatisfaction piled up against them.

Except in one particular, the official Unionist programme is not at all frightening to the average elector in his present mood. He is not alarmed but reassured by the promise of a still stronger Navy and a larger and more efficient Army; nor does he grudge the expense. He is all for a "firm" foreign policy and no departure from our existing friendships. So far as he understands the question he is favourable to completing the business of Irish land purchase, which he believes to have worked much good so far as it has gone, and which he also believes, rightly or wrongly, to have been hung up by the present government out of deference to Mr Dillon's desire that Ireland should not be made too contented, lest, perchance, it might lose its appetite for Home Rule. Even if he sympathizes with Liberal anathemas upon our own land system he is not repelled, unless he be a pure

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theorist, by Lord Lansdowne's promise of some scheme of state-aided land purchase for England and Scotland; for he approves of small ownership and does not discriminate over nicely as to the means proposed for arriving at it. On the whole he probably prefers Lord Lansdowne's scheme to that of the "single taxers," because he understands it better. It is simple. The State will lend a man money at a low rate of interest, and with it he will buy land at a fair price, and the "magic of property" will do the rest. The countryside will smile once more, and lusty babes will abound in it. This is easier to follow than disquisitions upon the metaphysical basis of taxation, and the benefits promised, though less effulgent than those of the Radicals, have the advantage of appearing less like a mere fairy-tale. So far there is nothing alarming if there is nothing very exciting in the Unionist programme.

But when we come to Tariff Reform it is different, and Tariff Reform, as we have been told time and again, is "the chief constructive plank in the Unionist platform." It is as difficult for a Liberal as for a Unionist to gauge accurately the fears and hopes with which this subject is regarded by ordinary men outside the walls of party committee rooms; for both sides have imported into the discussion something of a religious fervour which blinds their judgment. Nine years of discussion and pamphleteering have not succeeded in overthrowing the Liberal belief that Free Trade is one of the first principles of statesmanship. And if that party holds by the doctrines of Richard Cobden almost as Scotsmen, after three centuries of experience, hold by the doctrines of John Knox, Unionists on the other hand are inspired by Tariff Reform, as the tribes newly converted by Mohammed, with a fanatical faith in its efficacy to cure all human ills. The rash intermeddler who should venture to say that neither the one nor the other is a principle, but only an expedient, to be taken up and laid aside again, as it seems likely to serve the needs of each particular time, speaks to deaf ears.

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What would strike the impartial observer, if there be such a person, most forcibly in regard to this discussion is, that the portion of Tariff Reform which is most widely and firmly held by the Unionist party, and which is most readily listened to by the average elector, is not the doctrine of Preference, with its concomitant of the food taxes (which was Mr Chamberlain's starting-point in 1903), but that other body of doctrine which came as a kind of by-product somewhat later:—the securing of the home market against the competition of foreign manufacturers by means of protection, and the opening of new foreign markets to British goods by means of retaliation. On this it seems pretty certain that the Unionist party is not merely unanimous, but confident. By what arguments and by what interpretations of the facts they have persuaded themselves into this conclusion is for the moment beside the point. They may be all wrong, but there can be no doubt that they believe, and that they also agree. What is more, they find audiences in every part of the country ready to listen to them. Their appeal to simple minds is direct and forcible, as are all appeals made to people to protect their own industries. It needs no disquisitions upon dry economic axioms. "Why should we import goods from abroad which we can make at home? Why should we not tax the foreigner and so keep the home market to ourselves? Employment will then increase, wages will rise as an inevitable consequence." This is the argument, and it is one which it becomes increasingly difficult to answer in simple terms. And so the impartial observer would probably conclude, sadly or merrily according to the inclination of his impartiality, that the country is no longer terrified by this aspect of Tariff Reform, and that consequently it is not any obstacle to the return of the Unionists to power. He might even go further and admit that, upon the whole, for electioneering purposes, it is the most attractive item in their programme.

But this non-terrifying, and possibly seductive, aspect of

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Tariff Reform is bound up with Preference and the food taxes, and that is the best hope of the Liberal campaigner. Our impartial observer will admit at once that it is a well-founded hope. Taxes are always unpopular when people are quite clear that they themselves will have to pay them, and every one knows that he will have to pay more for his bread if you put a tax on wheat. The ordinary man is still asking the same question which occurred to him nine years ago—"Why can't you give me the advantages of Protection without the disadvantages of dearer food?" And he is not yet satisfied with the double answer which he has received. For when he is told that Preference can only be given to the Colonies if he submits to a tax on food, but that the effect of this Preference will be to lower the existing Colonial duties in favour of his own manufactures and so provide him with a large and important market, he is inclined to take the view that this is all very vague, and remote, and problematical. He hears from the other side that the Colonies will never reduce their tariffs so as to give him really fair play in their markets, and being naturally of a somewhat suspicious disposition he is inclined to believe it. And when he is told again by the leaders of the Unionist party that any rise in the price of food which he may have to suffer will be made up to him by reductions in tea, sugar, tobacco, and other articles of his consumption, his suspicions are again aroused; the calculations are too elaborate; he sniffs "hickery pokery" and is off like a startled hind. It is impossible and unnecessary to argue this matter out at length in the present article. The object here is merely to give the most general idea of the difficulties which face the Unionist party in commending this part of their programme to the British working man, who more than ever now—much more than in 1903—is easily alarmed by any prospect of a further rise in the absolute necessities of life.

It is clear to every one, whether his observation be impartial or not, that the food taxes are a handicap to the Unionist party in all industrial centres, in all urban constituencies.

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Nor is it clear, on the other hand, that this item of their programme is of any value to them in the country districts. The attitude of the agricultural interest towards this part of Tariff Reform is by far the most obscure aspect of the whole movement. Does what is called the agricultural interest regard the food taxes as the manufacturing interest regards the taxes on foreign goods—i.e. as an efficient measure of Protection under and by virtue of which it will thrive more than it does at present, make larger profits, earn higher wages and have more continuous employment? This agricultural interest consists of labourers, farmers and landlords. Are the interests of these three classes identical? Would all, or any of them, benefit by the moderate imposts which have been proposed? Have all or any of them thought the matter out and arrived at any clear idea of how and what they might hope to gain? It is almost impossible to answer these questions with confidence; but what we can say is that the approval of the food taxes by the agricultural interest—if it does approve them—is a much vaguer and more nebulous sentiment than that which has caught the concrete imagination of the artificers of the towns with respect to duties on foreign manufactures. The pull of material self-interest is much less strong.

The Liberal organizer calculates accordingly that the disfavour with which the food taxes are regarded in urban constituencies is not counterbalanced by any enthusiasm which they may excite in the rural districts. But he also calculates with even higher hopes upon a consideration of a different character. Private conversation is one of the things in this world which can never be kept secret, and those responsible for the management of the Liberal party are well aware that wherever two or three Unionists are gathered together a discussion of the food taxes casts a gloom upon the company. Their advocates are afraid of them. This article of the Tariff Reform creed may be accepted, but it is not believed in with fanaticism by the whole of the Unionist party, perhaps not even by the majority of the Unionist

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party. It is regarded as entailing "a sacrifice" (to use Mr Chamberlain's original expression), and a sacrifice is a thing which usually assumes a disagreeable shape if you look at it for too long. It is true that a great man in a great emergency may add to his power and popularity by boldly calling for a sacrifice; but such an appeal depends for its sudden success upon a set of emotions which it is hard to keep indefinitely at the boiling point. And this is the weakest spot in the Unionist armour—that apparently they dare not any longer take the bold line of demanding a sacrifice, and they find it an even harder job to commend their proposals as a simple business proposition.

Admitting that Unionists are practically unanimous about the protection of home industries, it may also be admitted that, not merely in lip-service, but from their hearts, the majority of the party are in favour of the principle of Colonial or Imperial Preference. But they shy at the only practicable means to this end. Mr Chamberlain's unrelenting maxim, "If you want to give a preference to the Colonies you must put a tax on food," haunts them in their dreams. Ingenious minds have set to work to get round this hard saying, and have suggested that British preferences upon manufactures might appeal to the imagination of the Dominions, intent upon fostering the urban side of their national life. Preferences upon income tax and death duties in respect of investments within the British Empire, the abolition of the double income tax and death duties at present payable in the case of such investments, the extension of the list of trustees' securities to include more Dominion stocks, bounties upon freights, etc., etc., have all found their advocates. But none of the advocates has found an audience. Neither at home nor oversea have any or all of these suggestions appealed to public opinion as a practicable alternative.

There is undoubtedly a section of the Unionist party which is in favour of giving up all or part of the food taxes. How large this section is, it is impossible to say. It is not

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every one who is afraid of the food taxes, or who dislikes them, who is prepared, therefore, to give them up. Calculations based upon the contrary assumption are certainly fallacious.

Some, while adhering firmly to the principle of Imperial Preference, are for dropping only the tax on wheat, not foreseeing apparently that they would then be pursued by their elated opponents, with redoubled vigour, into all the other branches of food taxation. They would then have to seek for other arguments (and would certainly not find it an easy matter to lay their hands on any better ones) to defend their proposed duties on meat, bacon, dairy produce, and such like. Unionist speakers have painfully learned since 1903 a certain number of more or less effective platform arguments in defence of the wheat tax, upon which item the Free Trade attack has been concentrated. They would have to begin learning all over again if the wheat tax disappeared. It would be an admission of defeat at one point in the line, damaging enough in itself, but still more damaging because of the certainty that it must entail defeat along the whole length of the line.

It would, therefore, appear to our impartial observer that if the Unionist party were to give up the wheat tax it would be wiser to give up food taxes altogether. But if the Unionists give up the food taxes, the Liberals will say, and the great mass of the people both at home and in the Dominions will believe, and even the majority of the Unionists themselves will also believe—whatever they may say—that they are giving up Preference as well. This would be like taking the soul out of Mr Chamberlain's movement. Tariff Reform would then become an ordinary protectionist programme, as in the United States, or France, or Germany, to be judged upon its merits. Only remotely or indirectly could it be represented as leading to any kind of development or union of the Empire.

It is worth while attempting to foresee what would happen if this policy were to prevail and the Unionist party were to

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give up food taxes and Preference, and to fall back upon the protection of home manufactures. Liberals no doubt would rejoice as patriots at the removal of what they consider to be a grave national danger, and they would rejoice as men of kindly disposition at the return of erring brothers to the fold. But they would probably rejoice even more—for politicians, after all, are human, and the bad motives are mixed curiously with the good—at the disruption and demoralization which would ensue among their opponents. That is really the crux of the position seen through Liberal spectacles. For nine years the Unionist party has struggled on, sorely embarrassed by the food taxes; but it would be utterly damned if it gave them up. For it would then have sold its ideals for a mess of potage. It would have put aside Imperial Union merely to increase the profits of British manufacturers and the wages of British artisans.

It is always a pleasant spectacle when our enemy appears hesitating and disconcerted in the midst of the struggle; and Liberals ought therefore to be forgiven if they exult openly at the present attitude of the Opposition in regard to the Food Taxes. The Unionists are not unlike a man coming to a stream, who, with a run and a leap, lands on a stone which seemed to him, as he took-off so light-heartedly, to lie right under the opposite bank—as if a mere step would be enough to land him dryshod. But as he balances himself upon the small and slippery boulder, he realizes that he has miscalculated, and that still another leap is needed to bring him safe to shore. There is no space for a run. He looks back across the gurgling waters and understands that to return is at least as hard as to advance. He looks forwards, and then backwards with doubt and misgiving. The Liberal spectator upon shore hopes sincerely that panic will breed confusion in his adversary's mind and lure him into choosing the greater evil, whichever that may be; but in any case, the Liberal holds the cheerful view that a ducking is more than probable in any event.

This, however, our impartial observer may well question.

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It is not wise to exaggerate the influence of the popularity or unpopularity of any given article of policy in bringing a party into office, or in keeping a party out of office. It is not nearly so potent an influence as admiration for a great character, or as distrust of a prominent leader. Nor is it nearly so potent as the blunders committed, or believed to have been committed, by the government of the day. The truth is that the programmes which oppositions are usually so eager to put forward, and in which they appear to place such a child-like confidence, are rarely either very enticing or very repellent to the ordinary elector, for the reason that, being all in the future, they do not really come home to him. At the best they are but minor considerations. Home Rule was undoubtedly an unpopular item in Mr Gladstone's programme, and yet he won the election of 1892 in spite of it. Mr Gladstone believed in his creed; he was a great apostle:—Lord Salisbury's government had been six years in office and had grown stale—these were the two considerations which really mattered. The present government has been seven years in office, and it would be a very confident Liberal who would maintain that there are no signs of staleness, nor any blunders to its charge. Mr Chamberlain, too, believes in his creed and is a great apostle; but Mr Chamberlain is no longer in the fight. Liberal confidence and Unionist misgiving seem to be better founded upon the absence of the apostle than upon the harshness of the creed.

We have endeavoured to estimate in the foregoing pages how far the Unionist party is likely to be helped or hindered at the next general election by the measures which figure in its programme. The next consideration (and a still more important one) is the degree of credit which the Unionist party at present possesses with the country. Have its methods, and the course of policy which it has pursued in recent times tended to create a general confidence in its good sense, its constancy, its integrity, and its patriotism?

There is undoubtedly a feeling in the country which is

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highly favourable to a Conservative reaction, if there were a Conservative party in whom the country could confide. The difficulties of putting the Insurance Act into force are very great, and even, in spite of the fact that they have been to some extent discounted beforehand by the grotesque and impolitic exaggerations of opponents, the working of this new law is likely to cause a serious and prolonged disturbance over a very wide area. The crowd of important bills at present before Parliament, and the serio-comic land-policy, which has been announced under semi-official patronage, are frightening many people. Men are saying to themselves that perhaps too much is being attempted in the way of legislation. Perhaps they also think that, under a less officious and a more understanding government, Labour discontent would not have grown to such a head. And, as a result of all this, the country is possibly inclined to the view that it would be better to take a rest.

When the country says, "better take a rest," it usually says also, "better give the other fellows a chance." It does not appear to be saying this clearly at the present time. On the contrary, as often as it remembers that taking a rest means giving the other fellows a chance, the supposed Conservative reaction comes to a stop. The country swallows its dissatisfaction with the government, sighs and resigns itself to forgo rest, whenever it is too loudly reminded by the Opposition of their existence. Men will not kill Charles to make James king.

The skies grew lighter, and the sun seemed ready to come out and shine upon Unionist hopes at the beginning of 1908; and, upon the whole, the prospect remained tolerably favourable for another eighteen months, when the sun went in again, and everything was plunged in gloom once more. In the same way, last autumn there were signs of a Unionist revival; there do not seem to be many visible at the present moment. It is easy enough, and also probably perfectly true, to say that the Unionist party does not possess the confidence of the country, but it is impossible to give an ade-

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quate explanation of the causes of this distrust without some reference to the past.

For more than two years before Sir Henry Campbell-Bannerman came into power, the Unionist party had been not merely stale—which might have been expected after a long and very arduous term of office—but also thoroughly discredited. It was discredited by its division over Tariff Reform, by its dual leadership, and by its persistence in adhering to office after it was clear that it had lost the confidence of the country. The ingenuity with which Mr Balfour succeeded in evading discussions upon the fiscal question was a dearly fought success, and far more damaging than defeat. The election of January, 1906, was the result, and the Unionists were then reduced from a proud majority to less than one fourth of the House of Commons, a disaster unparalleled in the annals of their party.

The Unionist recovery was very slow. During 1906 and 1907, in spite of the fact that a violent and speedy reaction might reasonably have been expected after the unprecedented results of the general election, there hardly seemed to be a glimmer of improvement. By the end of 1909, after four years of opposition, the Unionists had won only twelve seats; and yet the by-elections were not less frequent than usual during this period.

Moreover the Liberals had a great handicap in the House of Lords. Their most important bills had been thrown out, and others of less importance had suffered the same fate.* There is an inevitable loss of prestige to a government when it fails to carry measures on which it has spent much time and labour. Public opinion does not discriminate: the failure looms large, the causes of it are disregarded. The general verdict is, that had they been strong men, they would not have failed. And also the government had miscalculated as regards Germany. It had fallen behind in naval preparations and had to admit the

* Education Bill, Licensing Bill, Scottish Land Bill, Land Valuation Bill, etc.

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fact. It had made a mistake, possibly a generous mistake, but Unionists were justified none the less in crying, "We told you so!" Again, Tariff Reform was clearly beginning to draw, especially with working-class audiences. The results of the by-elections in 1908 and 1909, though not sensational, were steadily unfavourable to the government. This was a time of bad trade, and the supposed ill-effect of foreign competition upon wages and unemployment was eagerly discussed. Popular attention was concentrated mainly upon this aspect of Tariff Reform, and the food taxes were then less of a deterrent than had been the case at the beginning or than they became later on.

Mr Asquith succeeded to the premiership in succession to Sir Henry Campbell-Bannerman at the beginning of 1908. From that time up to midsummer, 1909, the Liberals seemed on the whole to be losing ground with the country. Mr Lloyd George's budget was not popular at its first introduction, nor on the other hand was it violently unpopular. It was suspected and denounced at first, not because it was a revolution or a confiscation, but upon the more humdrum grounds that its proposals with regard to land valuation and land taxation were complicated and unpractical. The Opposition fastened upon this aspect, as people sometimes will, with a most unremunerative industry. Mr Lloyd George wisely gave all the time that was asked for, and gradually the Unionists talked themselves into a moral transport. But outside the Houses of Parliament this long attack upon the land clauses interested only the landlords and only wearied the country. The more the Opposition talked the more they appeared to the ordinary man to talk pure selfishness. The country gentleman—on the whole a popular and a freehanded character, more observant of the duties attaching to the possession of property than most—became gradually confounded with the urban landlord, who, in the imagination of the public, has no more bowels than the rate collector, and is less disinterested. The net result of weeks of debate was that the Opposition at the end of it all

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found themselves regarded as champions of a wealthy and privileged class to which they themselves were supposed to belong. Their persistency was judged to have been due not to patriotism, but to self-interest. They had, in fact, manœuvred themselves into a defile, and Mr Lloyd George fell upon them there, suddenly and dramatically one fine day, and threw them into a state of the wildest panic.

Mr Lloyd George was not the man to let his enemies recover themselves. The Unionists had played their game so unfortunately that they were identified with class selfishness, and he pinned them to that. No one listened to the subsequent discussions in the House of Commons. The whole attack upon the Bill was discredited with the country. Criticisms of other portions of the proposed taxation, which in different circumstances might have appealed to the popular imagination were now useless. They appeared as an afterthought, as a ruse to cover up the real reasons of the Unionist dislike. The panic increased rather than diminished in September, after Parliament adjourned. The Opposition went about the country burning their boats, blowing up golden bridges, and vowing that the hateful budget should be thrown out by the House of Lords.

Rightly or wrongly, the country judged the throwing out of the budget by the House of Lords to be unconstitutional, and the crowning triumph of Mr Lloyd George's conduct of affairs was when he induced the Constitutional party to break, or to appear to break, the Constitution. Even so the swing of the pendulum could not be altogether resisted. In the ensuing general election the Unionists gained a hundred seats and reduced the majority against them to 125—still not an insubstantial figure!

But this election ended the Liberal Government, and introduced that thing, rarely known in British politics, a Government maintained in office by a coalition of groups. The old servants kept their places, but there were now three mistresses instead of one, and the housekeeping consequently became a joint affair, in which the comfort and dignity

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of the staff were not likely to be so well-cared for as formerly.

Partly as a result of ill-luck, but more as a result of ill-judgment, the Unionist party between then and now does not seem to have gone far in re-establishing itself in credit. Unionists have drawn little profit out of the embarrassments of their opponents. They have driven no wedges into the coalition. They won no benefit for themselves or for the country out of the constitutional conference. They gained not a single seat, upon the balance, at the general election in December, 1910. Before the break-down of the conference the Liberal government had wished to deal with the reform of the House of Lords, as well as with the question of its powers; but the Irish, the Labour men, and probably the majority of the Liberal private members, were opposed to the first part of this programme. But when Parliament met at the beginning of last year Mr Asquith was able to say that the Opposition had refused to help him in clearing up the situation as a whole—powers as well as composition—and that therefore he must proceed piecemeal, beginning with the limitation of the powers, upon which proposal the whole coalition was agreed.

While the Parliament Bill was under discussion the Unionists, although undiminished in numbers, were thoroughly discouraged. They grew more discouraged as the session went on. The country would not attend to them, partly owing to the absorbing interest of the Coronation, partly because it was weary of constitutional arguments, partly because it had made up its mind that the election had settled the question, partly because it was sick of Unionist oratory, partly because there was no Unionist character which attracted admiration as a popular hero. The Unionists made a bad Parliamentary fight, not so much from want of industry as from want of inspiration. The Die-hard campaign produced the opposite effect from that which had been intended by its promoters; it evoked impatience rather than admiration. On the other hand the scene of disorder in

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the House of Commons in July (in which both Die-hards and Hedgers took part) produced not merely ridicule and indignation, but contempt. This carefully prepared impromptu carried no conviction even to the simplest minds. People will pardon, even though they may deplore, a loss of self-control if they believe it to have been sincere and unpremeditated. In such circumstances it may even produce a considerable moral effect. But in this egregious transformation the ropes and the pulleys, the scene shifters and the machinery, were much more in evidence than the sublime spectacle itself.

Nor has the subsequent action of the Unionist party done much to re-establish their credit. Their action over the Insurance Bill—first in welcoming it effusively, and afterwards in taking full electioneering advantage of the unpopularity of its virtues—has not commended them to the country, already somewhat inclined to be suspicious of their honesty. But perhaps more than anything else, the country is vaguely disturbed by the language which has been held by Mr Bonar Law, Sir Edward Carson, and other less prominent men, upon the subject of Ulster. The gravity of the Ulster problem is not unrecognized, and is becoming more recognized every day. Even among Liberals there is much sympathy with Ulster. There are doubts, not on one side only, as to the wisdom and the fairness of the Government's proposals for dealing with Ulster. But the country has not yet lost faith in the traditions of popular government, and is shocked by what it considers to be an official and direct incitement to disorder before the weapons of reason and Parliamentary debate have been proved inadequate.

It would seem as if recent events in and out of Parliament had brought the country to the conclusion that *Disorder is the Enemy*. It was begun in 1902-3 by Mr. Lloyd George and the Radicals when they invented passive resistance to defeat Mr Balfour's Education Bill. But on all sides there has been disorder; and public opinion, considering things in the gross, draws no nice distinction between the Suffragettes breaking

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the windows of tradesmen, and Unionist members keeping up an indecent coil in the House of Commons; between riots in the London docks and in the shipyards of Belfast; between Mr Bonar Law at Blenheim and Mr Ben Tillett on Tower Hill. It lumps them all together as manifestations of the same disease, and as constituting the chief menace of the time. In their present mood men would naturally be inclined to turn from a Liberal government, whose blunders and provocations may seem to them to have contributed in no small measure to this result, and to place power in the hands of the party of law and order, the party which regards the custody of the Constitution as its most sacred charge. But this party of law and order is threatening, through the mouth of one of its anointed leaders, to "break all the laws." It is threatening rebellion in Ulster after the harvest. It is boasting that its organization for rebellion is in a forward state of preparation. It was threatening a few weeks ago to defeat the working of the Insurance Act by passive resistance. It was threatening not to lick stamps. It has been preaching further disorder in the House of Commons as an alternative to debate—when a Liberal member or minister seeks to address Mr Speaker his arguments are to be drowned in a storm of sibilants, in cries of "Dissolve! Dissolve! Dissolve!" so that he cannot be heard. This it is conceived will attract great attention in the country as a proof of sincerity, and will win back confidence by making it clear that the Unionist party is the party of justice. Other ingenious persons, flitting about mysteriously on tip-toe, fingers on lips, whisper to all the reeds along the river bank the dreadful secret that in the autumn a dissolution will be forced by the House of Lords, which will then throw out the Expiring Laws Continuance Act, producing thereby some such fatal confusion as occurred when poor King James the Second dropped the Great Seal into the river opposite Lambeth!

All this has thrown the country into a quandary. Has the Unionist party, which is the party of order, struck

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order out of its programme, as the same party, which is also the party of the Constitution, only three years ago broke with the Constitution? It is possible that the country judges unjustly, and is needlessly perturbed; but it is the misfortune of the followers of Mr Bonar Law that they have succeeded in producing this impression, and they appear to be singularly unfortunate in all their efforts to dispel it.

The discredit which at present seems to attach to the Unionist policy is due to a suspicion of opportunism, of recklessness, of emotionalism, and of a number of other qualities which are usually regarded as the antithesis of Conservatism. Change, too, is no longer inscribed solely upon the banners of the Liberals. If the Unionists return to power there are to be changes as vast as any which have been proposed by their adversaries. The yearning for rest on the part of mankind will not then be satisfied. Under a Unionist government we have no hope of finding ourselves in any Abraham's bosom of peace. There is a feeling at the back of public opinion that there are two conflicting currents of principle among the Opposition; that the old Unionists have learned nothing, while the new Unionists, though they have learned at a prodigious pace, have not yet thought enough; that each of these sections in turn seizes the controlling influence on policy, producing as a consequence much inconsistency; that Unionism is dangerous chiefly because it has not yet found its creed, and does not really know either how it is going to come back to power, or what it would proceed to do if it found itself there.

The last point which needs to be considered here is the question of men. Is it an obstacle to the formation of an alternative government that the Unionist party is supposed to be inferior to the Liberals in the calibre of its leaders? Great reliance is placed upon this consideration by the party now in power. Any party which is in power inclines to place reliance on this consideration until one fine

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day it wakes up to find its successors installed, and the country by no means discomposed by the appearance of the new figures upon the front bench. The Liberals placed great reliance upon this consideration until Mr Disraeli beat them in 1874. The Unionists did likewise until Sir Henry Campbell-Bannerman formed his Government in 1905. The Liberal party in Canada was strong in this confidence until Mr Borden replaced Sir Wilfrid Laurier after the election of last year. The veterans disappeared, and the raw levies took their place, and "the great mundane movement" still went on, notwithstanding, very much as before. If office often destroys reputations—especially of windbags—it also discovers men. There is little reason, therefore, to suppose that the country would be inexpressibly horrified at the names of the men whom Lord Lansdowne or Mr Bonar Law would include in his Cabinet. Nor is there anything in the qualities of the individual men who are prominent in Unionist counsels which terrifies the country in advance. It is not their want of ability, or honesty, or even judgment, which disturbs the country so much as the lack of a clear, consistent policy. This want may even be due—as was the case with the Radicals and the Liberal Imperialists up to the middle of 1903—to the large number of men of force and talent, and the consequent difficulties of finding any common denominator for their views.

Upon the whole matter, therefore, our "impartial observer" might draw the conclusion that, although the absence on the Unionist side of any towering character who attracts popular affection and loyalty as did Lord Beaconsfield, Mr Gladstone, or Mr Chamberlain is undoubtedly a serious lack, still the country does not realize that there is any dearth of capable men, and therefore is not appalled by this consideration. As regards the measures proposed in the Unionist programme, he would probably conclude that although the food taxes are a serious handicap upon a straight and simple issue, yet at the same time he would admit that issues are rarely straight and simple. Even the unpopularity of the food

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taxes, he thinks, may be overlooked in a greater, or in some more immediate interest. In his opinion the most serious difficulty which faces the Unionists is, that the country has become utterly confused by their methods and does not in the least know what they stand for—whether for sober progress or for violent change, for order or for disorder, for sense or sentimentality, for conservatism or a revolution. He would say further that their surest way to power is a way they have not recently trodden—steady adherence to their own principles, and to the old traditions of representative government, which still earn a great reverence, at any rate outside the walls of Westminster. Their best hope, as things stand, would appear to him to lie in the weariness of the present government after seven years of exceptional anxiety, and also in a special danger which besets the path of all coalitions. For although coalitions may begin with honest co-operation, and reasonable give-and-take between their members, they are apt—little by little, as the objects for which they were originally formed have been accomplished and recede into the past—to find themselves driven gradually, by the conflict of new ideas, to dubious shifts, undignified surrenders, and finally to barefaced opportunism in order to maintain themselves in office. Opinions will differ naturally enough as to which stage in this progress Mr Asquith's government has reached at the present time; but Liberals, Radicals, Nationalists, and Labour men are as keenly alive to the existence of this danger as is any member of the Unionist party.

London. August 12, 1912.

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I. THE NAVAL CONFERENCE

AT the moment there is intense interest in Canada over the negotiations between the Canadian ministers in London and the Imperial authorities. Five years ago the masses of the Canadian people were reluctant even to consider any obligation to assist in the naval defence of the Empire. It is even doubtful if twelve months ago there was any ardent interest in the naval proposals of the Laurier Administration. There was rather a common conviction that the Liberal Government had outrun public opinion and would be rebuked by the constituencies. Suddenly, however, through influences and processes which we do not wholly understand, a flame of feeling swept over the country, and, whether they realize it or not, there is more danger to Conservative ministers in failure to adopt an adequate programme than in robust assumption of heavy responsibilities for sea defence.

This may be a passing phase of opinion, but of its immediate strength and intensity there can be no question. At last it is realized that Canada lags behind New Zealand and Australia and that a somewhat vociferous Imperialism has been cheering the pulpit and evading the collection. It may be that this eager temper is a direct result of the contest over Continental Reciprocity. In that contest all there is of national and Imperial feeling in Canada was aroused. We had a revelation of ourselves, of our position in the Empire, of our neglect to ease the load which other shoulders bore to assure our peace and security. With this recognition of the real situation there is an irritated impatience to remove the

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reproach and a disposition to avoid further Imperial professions until there is actual and reasonable discharge of Imperial duty.

With the conferences proceeding it is unnecessary, and perhaps would be futile, to speculate upon the issue. It may be said, however, that the Canadian Cabinet recognizes the condition of opinion in Canada and rejoices at the prospect that an adequate naval programme will receive generous support in the constituencies. If there is any failure it will not be through the indisposition of Canadian ministers to assume the whole burden that should fall upon Canada, but through the denial of an equal partnership in the Empire which they will prescribe as the vital condition of full co-operation between the Mother Country and the Dominions in the organization and maintenance of an Imperial navy.

II. THE ROYAL GOVERNOR

THERE was some apprehension in Canada over the appointment of the Duke of Connaught to the office of Governor-General. There was fear that he would not enter into the genius of Canadian democracy. There were ungracious intimations that a severe etiquette would not be tolerated, and that rigid social distinctions were not congenial to the Canadian atmosphere. There was the familiar exaltation of colonial autonomy and the suspicion that some coercion or illegitimate persuasion of Canadian opinion for Imperial ends was intended. It is true that these apprehensions found only vagrant expression, but there was undoubtedly a wide and genuine concern that incompatibility should not develop between the Governor-General and the Canadian people and that the sentiment of loyalty to the Mother Country should not be weakened by the more direct representation of the Throne in Canada. We have learned how vain were these apprehensions and

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what sagacity dictated the selection of the Duke of Connaught for the Governor-Generalship.

Never have we had less of form or ceremony at Government House, a more gracious dispensation of hospitality, or a more strict observance of every constitutional usage. The Duke's public addresses have been marked by infinite discretion, but with no trace of condescension nor any fear of misunderstanding. The great popularity which he has acquired is not the result of any manifest seeking. He has indulged in no extravagant eulogy of the country or the people. He has not turned his eyes towards "the gallery" nor set any social fashion nor sought any special recognition. He has been simple, sincere, with ample dignity and a certain reserve in speech and bearing. In short, he has impressed the country as a man of sound sense, of simple habits and of sincere devotion to duty. Naturally, therefore, the respect which he commands goes beyond the social groups down amongst the people and his whole influence is towards simplicity of living, moderation of political asperities, and stimulation of interest in refining and cultural activities.

He holds in equal degree the confidence of ministers and of leaders of the Opposition. Even the most intemperate radical journals find nothing in his utterances that excites irritation or borders even remotely on personal or official imprudence. There is nothing in the nature of aggressive Imperialism and nothing that savours of political direction or dictation. Moreover, the whole impression which he leaves upon the country is that this happy result arises not from craft or design or excessive caution, but is the natural revelation of himself and the natural function of his office. The Throne will be stronger because he has come to Canada, and Royalty, as represented by the Duke and Duchess of Connaught, will have a very wholesome significance for the Canadian people. If any apprehension remains or any problem arises over the appointment of the Duke of Connaught to Canada the difficult situation will appear when the Imperial Government comes to name his successor.

III. PROVINCIAL GENERAL ELECTIONS

DURING the last three or four months new Legislatures have been elected in four of the Canadian provinces. In British Columbia and New Brunswick the Conservative party had decisive victories. In Quebec and Saskatchewan the Liberal Governments secured overwhelming majorities. In three of these contests no outstanding issue divided the parties. In Saskatchewan, through a curious combination of circumstances and events, the election turned chiefly on low tariff and reciprocal exchange of manufactures and natural products with the United States. In British Columbia the decisive factors were the personality of Sir Richard McBride and an extensive programme of railway building. For the whole province only two Socialists succeeded against Conservative candidates. Weak both in leadership and in organization, the Liberal party was hopelessly outweighed by the remarkable personal popularity of the Provincial Premier and the general confidence of the people in the efficiency and the integrity of his Administration. The situation in the Pacific Province is without a parallel in the history of Canadian politics. As has been said, not a single Liberal sits in the Legislature, while the province sends a solid Conservative delegation to the House of Commons.

In New Brunswick, with an Assembly of forty-eight members, only two Liberals were elected. In the House of Commons, however, eight of the thirteen seats are held by adherents of the Liberal party. It is assumed that the result of the provincial contest has a certain federal significance, although only local issues were discussed from the platform. Since the Conservative party was restored to office in the Dominion Prince Edward Island has defeated a local Liberal Administration and the Conservative party has greatly strengthened itself in New Brunswick. These facts suggest

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a revival of the party in the east and perhaps an increasing allegiance to Mr Borden, who belongs to the Maritime provinces.

There was undoubted federal significance in the result in Quebec, although Sir Lomer Gouin has great personal strength and deservedly enjoys the respect and confidence of the electorate. There have been no serious scandals under his Administration, the finances have been thriftily and wisely handled, agriculture has been generously assisted, the appropriations for elementary education have been materially increased and the natural resources of the province have been guarded against the rapacity of camp followers, and conserved as enduring sources of public revenue. Apart, however, from the merits of the Gouin Administration, the election revealed the still mortal weakness of the Conservative party in Quebec. Only seventeen Conservatives as against sixty-four Liberals were elected. It is admitted that the bulk of the Nationalists gave their support to the Liberal candidates. This was done, no doubt, in protest against the refusal of the Borden Government to establish Roman Catholic schools in Keewatin when that territory was added to the province of Manitoba, against its failure to satisfy Nationalist demands for the dismissal of public officials, and against its rejection of Nationalist dictation in naval defence. On the other hand, the mass of the English-speaking electors, distrustful of the feebler leadership of the Opposition and remembering the co-operation of Bourassa and Lavergne with the Conservative party in the Legislature, and the practical alliance between Nationalists and Conservatives in the federal election, now unconsciously associated themselves with the Nationalists in support of the Gouin Administration. Moreover, Sir Lomer Gouin repudiated reciprocity as an issue in the contest and thus retained the goodwill of the commercial and manufacturing interests. Indeed, in a complex and curious situation, all was gain for the Provincial Government, and all loss for the Provincial Opposition, while incidentally it

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was demonstrated that the Liberal party continues to hold a commanding ascendancy in the French province.

The victory for the Liberal party in Saskatchewan was as decisive as in Quebec. In a house of fifty-four members not more than nine or ten seats will be held by Conservatives. Although the Legislatures have no vestige of control over tariffs, the Liberal politicians succeeded in making "low tariff and larger markets" the chief issue in the contest. There was no serious consideration of local questions; there was vehement appeal to the grain growers to resist "the eastern interests" and to subordinate all other considerations to the demand for lower customs duties and access to American markets. There is still an acute agrarian feeling in the province, and all American experience teaches that while farmers' movements seldom have length of days they have a mighty power of aggression and cohesion in their time of vigour. It seems clear also that the American settlers, who are practically hived in Saskatchewan and Alberta, have been massed into a resolute unit against the Conservative party by the rejection of the Trade Agreement with Washington and the general attitude of its leaders toward the United States in the federal general election. On both sides the press was savage and virulent. There was much of gross personal abuse and demagogic fury. There was flagrant disfranchisement of Conservatives in the preparation of the lists of voters. There was intimidation and corruption of the foreign settlers by the agents of both parties. There was fraud, bribery and coercion on a scale which has seldom been witnessed in Canada. The whole contest was vicious, ugly and discreditable, and perhaps it would not be easy to determine which set of newspapers or which group of politicians had the pre-eminence in the competitions of abuse and violence. But Mr F. W. G. Haultain, Leader of the Opposition, confined himself to temperate and logical argument, while Mr Scott, the Provincial Premier, disabled by ill-health, in the few speeches which he delivered avoided the excesses of the extremists.

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For many years Mr Haultain was Premier of the Northwest territories, and he laid the foundations of western institutions with singular wisdom and foresight. His integrity is beyond suspicion; he speaks with force, clearness and dignity. But as a politician he is much inferior to Scott; he has the judicial temperament; he lacks the fervour of the partisan. Moreover, as Haultain and the whole Opposition in the Legislature had joined with the Liberal party to bless reciprocity when the Trade Agreement with Washington was negotiated, he now spoke with diminished authority as an ally of the Federal Government and a mouthpiece of the party which had rejected the contract.

The argument of the Liberal politicians of Saskatchewan was that if the Scott Government was defeated the federal Liberal party would be tempted to abandon the agitation for low tariff and reciprocal trade with the United States, and to recognize protection as the settled policy of the country. On the other hand, it was insisted that a decisive declaration for freer trade by the chief grain growing province would compel the federal Liberal party to adhere to the issue and would prevent its ultimate domination by Eastern protectionists. During the contest the *Winnipeg Free Press*, which is the chief organ of the Liberal party in Western Canada, said:

The Saskatchewan election is vital to the Liberals because it is fought on the tariff issue. A Liberal victory will mean that the radical low tariff element of the party, which since the defeat of last September has been growing in power, will take full command of the party and challenge the Conservative party to battle on the issue of lower taxation and wider markets, with special emphasis on the desirability of access to the markets to the south.

Commenting on the result, the *Toronto Globe*, which is the leading Liberal newspaper of older Canada, says: "The fight for larger markets and against the taxation of food-stuffs is only begun. It will be the supreme issue in another general election." This is now the language of the Liberal Press throughout the whole country. The tariff will again

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be the chief issue between the parties, but whether or not with such results as appeared between 1878 and 1896 has to be determined. In every general election since Confederation in which Protection was the supreme question the Conservative party has carried the country. Now, however, we have a more populous west, undoubtedly favourable to low tariff, and with a formidable representation in Parliament. But if the west favours lower duties the east becomes more strongly protectionist. The west has a population of only 1,730,000 out of a total population of 7,204,000 and the whole Dominion a rural population of 3,924,083 as against an urban population of 3,280,441. Between 1900 and 1910 the rural population increased at the rate of 16.48 per cent as compared with an increase of 63.83 per cent in the urban population. In the industrial communities both east and west protectionist sentiment dominates, while the rural constituencies of the older provinces divide fairly between low tariff and moderate protection. Moreover, before we have another general election the Grand Trunk Pacific and the Canadian Northern railways will be running from ocean to ocean, the Hudson Bay Railway will be constructed, and probably the Panama Canal will be drawing a great volume of western traffic to Canadian ports on the Pacific. With adequate facilities for transportation western grievances will be greatly mitigated and the relations between east and west correspondingly improved. It is certain at least that the Conservative party will adhere staunchly to the system of protection and if the tariff is the supreme issue in the next general election it is conceivable that any losses sustained in the west will be offset by gains in Quebec if the party develops leaders in the French province, and racial and sectarian considerations can be eliminated from the contest.

Canada. July, 1912.

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I. A PLEA FOR A NATIONAL POLICY*

THE English cables which have been recently published in Australia indicate that a crisis is taking place in English thought in regard to the relations of the Empire with foreign countries. In that crisis the relations of the various parts of the Empire one with another are apparently being revised. Mr Winston Churchill is reported to have said that it would be the function of the outer Dominions to patrol the oceans surrounding them. On the other hand, suggestions have been made that the warships now building for Australia and New Zealand should be diverted from that destination and used in the home waters. The arguments in favour of the one ocean, one navy, policy have been summed up by a writer in the *Fortnightly Review*, Mr A. R. Hurd. He reiterates with some arrogance the doctrine which official opinion has always endeavoured to impress upon the Dominions, viz.: That the Empire is best defended by one fleet under one control, situated in European waters. Australian statesmen have always fought against this doctrine, careless of the prestige and authority of those who have pressed it upon them. They have insisted upon the principle of local navies for the defence of the outer Dominions. One would have thought that the battle for local

* An Australian view of the problem of Imperial Defence and of Anglo-German relations is presented in this article. The opinions of the writer on these problems, regarded from the Australian angle, will be interesting to observers in other parts of the Empire. They are referred to at length on pp. 631-634 of this number in the article entitled "Canada and the Navy." (Ed.)

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defence had been won, but the present development shows that the principle is not fully accepted, since the action of New Zealand has apparently been taken spontaneously, and not as the result of official suggestion.

There is little fear that Australia will be tempted to follow the lead of New Zealand in this instance, for in Australia the sense of nationality is far too highly developed. But it is necessary for Australians to realize fully the principles upon which the local defence policy is based, and the danger there is of any departure from it. The policy of New Zealand in itself is unfortunate: it weakens Australia's position with regard to the potential dangers; it prevents that co-operation between Australia and New Zealand which is necessary for the defence of both. In the first instance, it is a pecuniary saving to New Zealand, but as it is based upon a false principle it involves a large waste.

The arguments contained in the *Fortnightly Review* article are based on the assumption that the only point of danger within the Empire is in the North Sea. It is quite true that a navy stationed in the German Ocean would be an effectual defence of Australia from all attacks emanating from European nations or even from America. It is also true that the outer Empire depends for its integrity on the superiority of the British fleet over any possible European combination. But the assumption that the outer Empire has no dangers of its own to face beyond these is quite untrue. If it be untrue, the following statement by Professor Spenser Wilkinson, one of the greatest authorities on Imperial defence, shows that in facing such dangers Australia can expect no assistance from Great Britain. Speaking at the Royal Colonial Institute on January 23, 1912, during a discussion following a paper on the New Pacific he said:

Now the question has been raised but hardly discussed as to possible conflicts for the command of the Pacific. What I want to call attention to is that in the present state of the world it is not very likely that the British Navy in the near future could seriously

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enter into such a contest in the Pacific because there is a phenomenon hardly mentioned this afternoon, and that is—Europe. The present position is that this country at any time might have to defend herself in Europe; and in any naval war which it would be prudent for us to think about, we have to keep in mind the possibility of a European war. It has been found necessary in the present state of Europe and is likely to remain necessary that the principal force of our navy should be concentrated in European waters. It is not advisable while that state of things lasts that any large force should be detached into the Pacific. At least, such a detachment might render doubtful the issue of a European war.

He says in effect that the whole of the English fleet is necessary to cope with purely European difficulties, and no part of it can be spared to defend the outer Empire. Not only is this the case, but the superiority of the British fleet in European waters would have very little effect on the strategic position of Australia with reference to her own foes.

It is quite unnecessary to recapitulate the arguments which have been used to point out to Australians the dangers to them of what is known as “the Yellow peril.” All thinking men now subscribe to a policy which involves this assumption—a policy which involves great sacrifices, both personal and economic. It is not based on any theory of special hostility towards the yellow races, but on certain factors which throughout history have shown themselves to be the causes of race movements and race antagonisms, viz. the tendency towards territorial expansion of growing races, and the pressure on the means of subsistence. So convinced are we Australians of the reality of the danger, that we regard the peaceful immigration of eastern races as equally dangerous with conquest. We maintain our white Australia policy as a barrier against such a danger. Such a policy is abundantly justified, for the presence of a million Japanese or even half a million would render the problems of our polity insoluble. The meaning of Professor Wilkinson’s statement is that the onus of the defence of Australia against such a danger must be borne by Australia alone. England could not help her. If Japan made the demand on England that her subjects should

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be admitted to Australia, England could not but allow the request. English statesmen seem to rely upon the alliance between Japan and England as a protection against these dangers, but such an alliance is only a paper barrier against the tremendous forces involved. Alliances do not depend on the mere engagements which they record; they depend upon the forces which underlie those engagements. Such an alliance depends upon the mutuality of interest between Britain and Japan. So far as England as a European power is concerned that mutuality may exist, though this may be doubted. But, if the present Australian policy has any validity at all, it means that there is a fundamental diversity of interest between Japan and Australia. It should be remembered that the Japanese alliance does not contain any settlement of the question of alien exclusion within the Empire or any other questions between Japan and any part of the Empire. Such questions are assumed not to exist or are left without settlement and there is nothing to prevent Japan from raising them when the appropriate time arises. Japanese policy is essentially an expansionist one. No nation wishes to conquer Japan; it would not be worth while. Japan entered into the Russian war to maintain her sphere of expansion on the mainland. For various reasons that sphere is unsuitable, and she needs more suitable areas for expansion: there can be no other object in the enormous fleet of Dreadnoughts which at an appalling sacrifice she is creating. She cannot hope to conquer America or find room for settlement there, and she has come to an understanding with Russia. Australia's position is strategically weak: it is like the advance guard of the West flung far out into the East. Her position is somewhat like that of Constantinople in the Middle Ages, but with this difference, that owing to her maritime isolation it is not to the interest of any other western nation to prevent her overthrow. The United States is the one western state that might conceivably be worse off strategically by the fall of Australia; but, on the other hand, Australia would probably soak up the advancing east

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like a sponge, and stay its progress. India certainly could hardly be held for the Empire with an aggressive power in Australia, and British possessions in the Pacific would, of course, share the fate of Australia. Australia is a lonely outpost of European civilization in a region which is profoundly alien.

It is easy, of course, to exaggerate the immediate urgency of such a danger. In all probability the treaty with Britain will protect us for several years. The Japanese are a Malay race, and the Malay, with many great qualities, has always exhibited sooner or later an inherent instability. This will probably show itself in social matters and industrial unrest. The difficulties and perils of foreign invasion are manifold for the strongest nation, and Japan is financially weak. Weapons of defence are more powerful than weapons of offence, and a very strong naval armament will be required to establish a conquest of Australia. But in our present unprepared state we cannot take advantage of these weaknesses, and we offer a strong temptation to an aggressive power. Australia must realize that she has to shoulder the burden of nationhood. She has to undertake the responsibility for her own defence under circumstances that involve universal devotion to her national ideal. The future may demand great sacrifices. It will demand our best intelligence and the concentration of all our resources. There is no reason to fear that Australians will fail to respond to such a call, but, as they develop their defence policy, they are beginning to realize that it is not on armaments alone that defence depends. Defence depends chiefly upon policy. Hitherto Australians have relied upon England alone for the conduct of policy, and willingly; for they conceived the interests of both parts of the Empire to be the same. Now that we find that the defence of Australia depends upon an entirely different set of problems from those which face England the Australian point of view is inclined to change. Can any nation depend for its defence upon a foreign policy conducted by statesmen responsible to another nation? Without

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impugning the ability and honesty of the British Foreign Office, Australians need to give the question serious attention. The problems which affect Australia are new and unknown to the traditions of the Office. England is notoriously out of sympathy with, and does not understand, our exclusion policy; she has the Mediterranean as well as the North Sea problems to absorb her whole attention. Lastly, it is impossible to divorce policy from armaments; they have a reciprocal influence, and it is just as absurd to work out the problems of foreign policy in the absence of a fleet as it is to play cricket with an imaginary cricket ball. It must be clear to every thinking Australian that the policy on which his defence depends is not at present definitely in the charge of anybody.

It should be remembered that by providing satisfactorily for the defence of our own shores we shall be assisting to protect other parts of the outer Empire as well. British interests in India or the East Indies would not be attacked if there were a large Australian fleet. The problems of defence in Canada, South Africa, Egypt, and United States, would be distinctly easier with such a fleet. The irony of the present situation is that if the ships contemplated by Admiral Henderson's report were on the water now they could not cope with the fleet of Japan. Such a fleet would be a heavy burden for Australia, but it would not be sufficient; only if those other countries bore their share would the combined fleets be ample. Defence, moreover, depends not merely upon armaments but upon the possession of strategical positions. The possession by an enemy of certain strategical points in the South Seas would render the problems of Australian defence ten times more onerous. America has recognized this principle in her Monroe doctrine. It would be absurd for Australia to try and set up a Monroe doctrine—indeed, so far as European nations are concerned, they might be welcomed to the South Seas, for they would all make common cause against the yellow peril. But it would be suicidal for Australia not to gain for herself

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the full control of the strategical points in the Pacific and Indian Oceans. Not only should they be obtained for Britain, but they, with all British possessions in the South Pacific and South Indian Oceans, should be administered from and by Australia. The High Commissioner for the Pacific should be responsible to Australia. The neglect of the policy on which the defence of Australia depends by officials in Australia and England is shown by the limitation of the Australian naval station in the agreement between the British Admiralty and Canada and Australia. This station is limited practically to the waters immediately surrounding Australia. It does go down to the South Pole, but otherwise includes only the waters of the Commonwealth and the surrounding islands. When it is considered that strategical points like Timor and New Caledonia are omitted and New Zealand is tacked on to the China station, Australians are almost entitled to regard the agreement as a mockery designed by the experts of the Admiralty as a revenge for the rejection of their "one ocean" theory.

What is wanted is an Australian policy adequate to these necessities, such a policy as is indicated by the above remarks. It should be based upon co-operation with other parts of the Empire whose interests are similar to ours, alliance with other nations whose interests are similar, and foresight as to the conditions under which a struggle between Japan and Australia (if it ever took place) would be fought.

The national programme which is needed might be summarized as follows:

1. Immediate carrying out of Admiral Henderson's report as to naval construction, bases, etc.
2. Close co-operation with New Zealand in all matters which affect naval defence, including command, construction, armaments and finance.
3. Arrangements with Canada, South Africa, and the Government of India for co-operation for naval defence of mutual interests, including construction of ships by those other Dominions.

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4. Understanding with the United States as to mutual protection of interests.

5. Administration of British Colonies in the South Seas by and from Australia.

6. Purchase of New Caledonia and other South Sea islands which might be used as a base of operations against Australia. Such external policy should be linked with an internal policy, the object of which should be to promote the economic development and internal unity of Australia. The northern territory should be developed, immigration encouraged, railway gauges settled and strategic railways constructed.

Lastly, arrangements should be made for the construction of ships and armaments in Australia.

Much of this policy depends upon Australians themselves; they need to make a united strenuous effort. But they are faced with the difficulty of conducting a foreign policy through diplomatic officers responsible to another constituency. This makes the situation still more urgent, and Australians should make up their minds quickly as to the policy they need, and make a definite demand upon Great Britain that it shall be carried out.

II. AN AUSTRALIAN NOTE ON ANGLO-GERMAN RELATIONS

AT the present time a controversy is raging in England with regard to the foreign policy of Great Britain which is full of interest to all who desire to understand the issue upon which the security of the Empire stands. Australians, for instance, are beginning to realize how their welfare depends upon the relations and adjustments of the group of Great Powers in Europe, and a discussion of some of the problems involved in this controversy must be of value.

A very strong indictment has been presented against the policy of Sir Edward Grey by Liberal dailies like the *Daily*

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Chronicle; the campaign is prosecuted with exceptional ability in the Liberal weekly, the *Nation*; and in the great reviews, which are mainly Conservative in tone, weighty and dispassionate articles have appeared in which British policy is held up to scrutiny and criticism. Lord Rosebery has also warned the public impressively as to the responsibilities involved in the present policy.

The discussion arises out of the Agadir incident and its sequelæ. It is acknowledged by all that Germany has received a diplomatic defeat—a rebuff after a somewhat triumphant career. This result was admittedly arrived at through the support afforded by Great Britain to France throughout the whole of the negotiations. Great Britain has no direct interest in the Morocco controversy, yet her support of France humiliated Germany, and has intensified the hostility of Germany towards England to a pitch which it has never yet reached, and an exceedingly dangerous situation is created. For these undesirable results the Liberal Press blame the policy conducted by Sir Edward Grey. British policy, they say, seems deliberately to aim at imposing a curb on the legitimate expansion of Germany. The material interests of the two countries do not in any way conflict, but Britain seems bent on preventing the greatness of Germany and imposing a secondary position upon her. For this purpose we have now entered upon a virtual alliance with her enemies, Russia and France, which brings us into every quarrel in Europe, and makes us in part responsible for the policy of nations whose aims and ideals are deeply at variance with our own. The old-time freedom of Great Britain from European entanglements has been lost.

To understand this indictment it is necessary to understand roughly the general character of English foreign policy, so far as it is capable of being generalized. The first object of policy is national security. Security can only be guaranteed by superiority over all competitors, but in a group of great nations dominance is difficult, so nations have understandings one with another which operate so far as the

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nature of the case admits as guarantees against attack. Alliances, however, are essentially unsatisfactory. They are merely temporary bargains—there must be give and take—and a nation may by its alliances be involved in dangerous problems from which it would otherwise be free. There is thus a tendency for a strong nation to try and dispense with alliances, and make for definite supremacy. Its strength enables it to bring other weaker nations into the orbit of its policy and thus to consolidate and strengthen its position. To provide against a supremacy which would imperil the security of other nations, these other nations feel bound to organize against it. This leads us to the doctrine of the balance of power which holds that the peace of Europe is best secured by an equilibrium of contending forces. The validity of this doctrine is unquestionable, but it may be misread. There is nothing in history to show that the most stable equilibrium is a balance between two organized groups. If there are three or more factors in the equilibrium, each strong and efficient, the situation is more stable. A concert of powers may result which facilitates the solution of all diplomatic questions. When powers begin to range themselves for all purposes with one or other of two groups, war is generally the result.

The cardinal point in the position of England is that geographically she is outside the European system. The Channel is a military barrier and curbs the European ambitions of England; on the other hand it minimizes very greatly the risk of invasion. Great Britain can, therefore, *provided certain conditions are observed*, keep herself free from European quarrels, and carry out her social and political development undisturbed. It is entirely due to this freedom that the ideas and institutions which are typical of the British nation have been able to evolve, and to sacrifice that freedom would be a disaster of the first magnitude. England's main interest in European policy is that no power should become so supremely powerful as to be able to turn the combined forces or close the trade of Europe

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against her. England's policy has been in the main, therefore, a policy of isolation or, as a reviewer recently put it, a policy of opportunism. She has been able amply to safeguard her European interests by her own strength, and has been largely able to avoid entangling alliances—alliances guaranteeing support in case of aggression or war. Her power and her disinterestedness have combined to give her a very great weight in the councils of Europe, but she has been able to avoid taking sides in the great European struggle for dominance. The position is one that carries with it corresponding burdens and responsibilities, which are the price England pays for her freedom. It involves absolute mastery of the sea. But the other nations of Europe, whose interests are mainly on land, realize that maritime supremacy does not menace them, because naval forces cannot vitally injure European nations, and generally they feel that England has an undeveloped and underpopulated Empire which she will not unnecessarily extend.

Both English parties have carried out, more or less consistently, the policy of isolation. There is, however, a distinct colour in the attitude of each. Liberalism, originating in Cobdenism, has had economy for a leading principle, and has had disarmament as an end always in view. This tradition, however, to some extent conflicts with another Liberal tradition—that of intervention in favour of oppressed and struggling nationalities, for which policy, of course, strong military resources are required. On the Conservative side the distinctive feature is a jingo or bogey element. Throughout the century the Conservative party has always had a bogey which in the interests of "the balance of power" it contended should be watched and crushed. For many years France and Russia have been the bogeys of the Conservative party, and those who did not think they should be checked and thwarted were Little Englanders. An unfortunate example of this policy has been the bolstering up of Turkey so as to thwart the expansion southward of Russia. Turkey has thus been saved to become

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the ally of the new bogey—Germany. Another extraordinary example is the suggestion seriously put forward in an English review that before the German fleet became sufficiently powerful to challenge England, England should fall on Germany and destroy it. Germany has indeed been a God-send to the jingoes, for she came forward conveniently just as the hollowness of the Russian bogey was being destroyed by the Japanese. This phase of Conservative opinion, with its appeal to the arrogant patriotism of the English, was largely responsible for the long periods of office which the Conservative party enjoyed for so many years. In 1905 the Liberals came into power committed to a policy of disarmament, and the scare of 1908 was perhaps necessary to redress the consequences of that policy.

The Liberal Press now claims most vociferously that the policy of Sir Edward Grey is a direct reversal of the traditional policy of England. Under his policy, and that of his immediate predecessors, we have come to view the progress of Germany with suspicion and have, as in the case of the Bagdad Railway and Morocco, done our best to thwart her. We seem to regard her as the heir of the Napoleonic tradition—as a menace to the stability and the peace of Europe—a power which, if not checked, will achieve supremacy in Europe, and bring all other nations within the orbit of her diplomacy, and we have decided to join the group of nations which has opposed itself to her and make their integrity a British interest. This has, they say, brought us into the vortex of European politics and into touch with a host of problems with which we have little direct interest, and, indeed, to the verge of a war with Germany. Sir Edward Grey does not deny that we have entered into a policy of alliances with France and Russia, and that we have been drawn into the European conflict. He confesses this, but pleads that we must have friends in Europe, otherwise all European nations will be our enemies. This is the least satisfactory part of Sir Edward Grey's case. It is not borne out by history. England has had few European alliances, and yet, though she has

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incurred the jealousy of European nations, such jealousy has done her little harm. Only on the gravest occasions in the history of the last 500 years has Great Britain so decidedly ranged herself against a great European nation from whom she has received no direct provocation. Phillip II of Spain, Louis XIV of France, and Napoleon: these are the types of European tyrant who have drawn England into the arena. It will be noticed that when England steps into the arena war is always close at hand.

Taking, therefore, Sir Edward Grey's admission, it will be well to analyse more closely the disadvantages of the situation. In the first place, the mutual advantages of the *entente cordiale* are more apparent than real. Our assistance to France against Germany would be limited to a very small army and naval assistance, which could not hurt Germany in a vital spot. On the other hand, Germany has in her army a powerful weapon whose prestige alone gives it an incalculable influence. It is doubtful whether either France or Russia would take the risk of coming to England's assistance in a quarrel with Germany in which they were not directly involved. Captain Mahan says they would not do so, and it is a significant fact that the *triple entente* is an informal alliance with obligations of the vaguest character which would probably be interpreted far more sincerely by England than by her allies. The necessary foundation of mutual advantage seems to be lacking for these alliances. In the second place the responsibility for French or Russian policy is a grave one and may lead us to support actions quite at variance with British traditions. French politics are unstable and unsatisfactory; and while some of her colonies have been well managed there are scandals in connexion with others which rival those of the Congo. French diplomacy is restless, brilliant, and much more than a match for English. Russia, on the other hand, is on a different plane of civilization, and at the present moment a British Government seems to be encouraging Russia to stifle the liberties of Persia on a dishonest pretext. Apparently Sir Edward

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Grey is content not to receive any *quid pro quo* for his consistent support of Russia in Persia. This is a bitter pill for Liberals to swallow, and a Conservative like Lord Curzon, who has an intimate knowledge of Eastern problems, here strongly condemns the policy of Sir Edward Grey. Thirdly, the position is unsatisfactory in that it brings England into strong antagonism with Germany. Germany is the strongest power on the Continent, strongest not only from the military and naval point of view, but in effective population and in economic resource. Germany's strength is legitimate, not predatory like that of Phillip II of Spain, Louis XIV, or Napoleon. It is not dynastic lust of power but the expansion of a newly united people. She has earned her prestige and can justify what she aspires to. The fundamental justness of the essential claims of Germany are insisted on by the writer of the leading article in the December number of THE ROUND TABLE, who looks upon the conflict of England and Germany as a tragic conflict of right against right. Surely in such a case there is a narrow path of truth which can be discovered by two nations who lead the world in social, scientific, artistic, moral and intellectual achievements? It must be remembered, on the one hand, that Germany's strategic position is bad, and her power in Europe to-day is rather the triumph over great difficulties than a mood of mere aggression. There is no middle course for Germany: she must either be great or downtrodden. An alliance between France, Russia and England, if effective, is of peculiar danger to Germany. She is entitled to assume that such a mighty organized force may be used aggressively against her, and not merely for the purposes of defence, and she is justified not only in building up a force against it, but in using every diplomatic means to thwart and destroy the *entente*. The position is one of intolerable strain which may at any time reach the breaking-point.

The attitude of England towards Germany in such a position is not altogether creditable. England has treated herself well in the matter of territory, yet if it is announced

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that Germany has acquired territory in the South Pacific or in the South of Africa or the West Coast of Africa, a howl arises from the jingo party that Germany is acquiring a strategic point which will command a British Colony or trade route. It is idle for such arguments to be used against the progress of an expanding nation. The real reason, of course, is that British colonies are practically undefended, her trade routes are unprotected, and, to save herself the responsibility of their protection, she seems to be striving to hem in Germany in the North Sea. Great Britain has held undisputed command of the sea for so long that the possession of a comparatively small fleet in European waters has hitherto secured her everywhere. Now, with the expansion of other nations, the difficulty of the problems of defence are intensified, and she does not relish the idea of meeting these. But to try and avoid these problems by bottling Germany up in the North Sea is folly. It is like putting a dam against the rising tide. It is not only foolish in the sense of being ineffective, but it is the worst possible policy for England. The German danger is from a Germany concentrated in the North of Europe; Germany dispersed through the world, with interests in every land which are common with those of Britain, is not a dangerous foe. On the contrary, she would be an ally of Great Britain in the coming struggle with Eastern nations.

Prima facie, therefore, the criticism of the British foreign policy seems to be just. We have by our policy of alliances incurred the enmity of Germany and, on the other hand, lost that freedom and independence under which Britain developed her social system and became a beneficent influence in Europe. But much more remains to be said, about which Liberal papers rather disingenuously remain silent. They forget that when their party came into office it was pledged to a policy of disarmament and that the policy of alliances is the direct result of that policy of disarmament, such alliances being necessary in order to secure the protection for British interests which Britain will not give herself. They

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forget that if England would stand alone she must be responsible for her own protection, and that, *prima facie* at any rate, she must be stronger to be self-sufficient and independent than she need be if she gets so much of her interests protected by Japan in the Pacific and Indian Ocean, France in the Mediterranean and Russia in the Near East. Not even Mr Norman Angell would allege that it is not necessary for England, as matters now stand, to be ready to protect her interests from aggression.

The problem, therefore, changes ground, and we must ask ourselves whether the Empire can afford to incur the increased burdens which are necessary if the policy of splendid isolation is to be indulged. From the point of view of wealth, of individual efficiency and strategical advantage, England's position would be unassailable if she cared to make it so, and what is needed to make it impregnable is not so much additional expenditure as *organization*. It is no exaggeration to say that through lack of organization the inherent strategical strength of the Empire has been turned into a great strategical weakness. To take one instance, it is recognized by experts that a navy alone is not able to strike a vital blow at another nation: military forces are requisite to bring war to a successful termination. But this applies to a nation which is organized for defence. It would hardly apply to England, whose citizens have no military training whatever, the great majority of whom are town dwellers who could not wield a military weapon with any effect. A reverse of the British fleet accordingly would terminate the war at once, for Britain could make no effective resistance to an invasion. The result of this is that the British fleet is tied to the British shores to prevent the untoward results of the one possible chance reverse. Its offensive movements are, as Lord Roberts pointed out, hampered and its efficiency as a fighting machine reduced hopelessly. Again, the absence of a military force of any size diminishes enormously the weight of England in European diplomacy. She cannot strike a vital blow at her enemies; her value to

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her friends is diminished. This strategical weakness is intensified by the lack of economic organization in England. Economically the British nation is the result of the triumphs of short views, of the individual over the State. National aims and collective activities are sacrificed to the well-being of individuals. For the sake of cheapness in commodities and the profits that a few merchants and shipowners make upon the carriage, exchange and trans-shipment of goods, England has come to depend upon other countries for the chief necessities of life and the raw materials of manufacture. If the supplies of these were cut off she could not exist for more than a few weeks. To prevent this she has to have absolute and actual command of the sea; not merely potential command but the power to guarantee merchandise against capture. This enormous responsibility must be an additional handicap to the fleet, and it is certain that if war broke out almost its whole strength would be strenuously engaged in maintaining the command of the North Atlantic. This would be due not to any lack of resource, wealth, or individual power, but wholly to a policy in which the forces of disintegration have triumphed over national ideals. To realize the strategical necessities of her situation England must organize for defence and she must reorganize her economic system, so as to make her less dependent on the foreigner. A combined land and fiscal policy is required which will protect wage-earners and throw into the hands of the people for production of food and raw material the land now in idleness. It will be seen that neither of these measures involve a serious addition to the burdens of the taxpayer. Surely, if England refuses to adopt such obvious measures for her own organization, it is a piece of impertinence for her to thwart the growth of another nation.

So far we have dealt with England alone. There is the outer Empire to be considered ; for if Germany came in full force into the South Pacific or South Africa England certainly could not leave her colonies in their present unde-

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fended condition. Here again we have strategical advantages turned into strategical weaknesses through lack of organization. It is ridiculous to suggest that a number of wealthy and populous colonies need fear the intrusion of Germany into their neighbourhood; yet in their present state such intrusion may raise great difficulties. The Empire is a loose aggregation of States without any organization or means of common action. It is confronted by organic problems, problems which affect the whole Empire through or by means of one part. The holding of one part by an enemy might render other parts wholly untenable by Britain. Thus the whole fabric might be disrupted through the failure of one link. On the other hand parts which, unorganized, are a source of danger would, if organized, be a source of mutual support. To take an example: Australia, Canada and India are almost equally interested in the question of Japan and China. If the resources of the three colonies were called forth to meet those of Japan the burdens on each would not be serious; if they remain unorganized, Japan holds them at her mercy. Australia has decided to carry out a scheme which will not alone be sufficient to meet Japan, and even this seems to be more than her fair share. By mutual statesmanlike organization the whole problem would be changed. The present system is the most extraordinary that any people who have to meet common dangers have ever acquiesced in. Mr Asquith talked of his opposition to Imperial concentration, but he forgot that almost the whole of the fleet is concentrated in the North Atlantic and the whole of the foreign policy of the Empire is concentrated in the English Foreign Office. There is no constitutional means of having the interests of a colony represented in the negotiation of any great question of foreign policy, and yet the decision of these questions may affect us for generations. On the other hand the act of an irresponsible government of New Zealand or Newfoundland may plunge the whole Empire into war. And in such a war there is no means of bringing the whole of the resources of the Empire in men and money into action.

The conclusion of the matter seems to be that there is

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no reason for any fear of Germany if we only take steps to realize to the full our potential greatness and organize our forces; and if Germany is not to be feared there is no reason to join a league of nations whose only object is to check her advance. If the Empire would stand alone there is no reason why Germany should not be welcomed into the world to take her share in the white man's mission of civilization, and there is every reason to feel that the world will be benefited by the different point of view—the power of organization which the German would bring to the solution of the Colonial problems. An Empire united and organized could hold the balance of power in the world. An Empire disorganized has to rely on the assistance of a power like Russia, stained with tyranny, to maintain her integrity.

The whole question is illustrated by the recent news about the acquisition of Timor by Germany. It certainly is advisable not to have foreign states too close to Australia, and a sphere of influence based on lines of strategical importance to Australia should be delineated. But, assuming that Timor is not within such lines at present, if Australia were adequately defended the presence of Germany in the South Pacific would be no menace to Australia. Germany can never maintain a fleet of any size in the Pacific, and in the event of a war between England and Germany these German Colonies would be so many plums which could be had by Australia for the plucking. In our present condition, however, the case is very different. We are so weak that any naval force in the South Pacific is a menace. It thus comes about that England, who does not want and could not develop further South Pacific colonies if she had them, must protest against the acquisition of such colonies by Germany who does want them, and could develop them, and simply because England has vast undefended interests in the vicinity. This is typical of what Germany complains of.

The dangers of the present system are terrible, because they lead to a *cul-de-sac*. The very alliance which Britain

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joins for her own protection is an alliance which Germany for her own protection must smash. There is an irreconcilable conflict here which must go on piling armament on armament till the crash comes. If we took the other way the incentive to war would gradually disappear.

Unfortunately party differences in England and the English national character stand in the way. The Liberals are in favour of a liberal policy towards Germany, as their acts have frequently shown, but they are traditionally opposed to all forms of organization, including Tariff Reform, Military Organization and Imperial Organization, the three things on which stress has been laid as the necessities of the situation. Germany does not make this mistake, and her greatest triumphs are due to skill in organization. Unfortunately the English national character does not take kindly to organization and co-operation. Individual initiative—the pioneer's habit of taking chances—these have certainly gone to the building of the Empire; but we are now in an era when more systematic methods are necessary. In the more democratic colonies, however, it is now realized that social and national organization is the correct method for the cure of all political problems, and if this spirit becomes powerful before it is too late it may do much to save the Empire.

Australia. June, 1912.

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I. THE PARLIAMENTARY SESSION

THE second session of the Union Parliament ended on June 23, having lasted almost exactly five months. The session will seem short to those who are used to the almost continual sittings of the Imperial Parliament; but both in its length and in the severity of the claims which it made on members, it was without precedent in this country. The conditions here are very different from those in Great Britain: we have no leisured class; we have, indeed, few men not engaged either in professional work or in business, who are still young enough to endure the strain of Parliamentary life in this country. The work, too, in the Parliament of South Africa falls on a comparatively small number of men. Out of the 121 members of the House of Assembly—the Lower House—many are men who are farmers by occupation, and who are little fitted for the intricate business of legislation. Not more than a third of the total number can take a very active share in that business. The result is that the men who do the work find their time continually occupied, day by day, in a task which is not too familiar even to them. Hence the end of the last session came to relieve a body of men who were thoroughly exhausted with their labours; and the rest of the members had long been anxious to get back to their farms. The last week or so of the session, therefore, saw a great deal of legislation hurried through both Houses in a way which shocked even those whose experience of Parliamentary life before Union had habituated them to the rapid legislative methods that find favour during the closing days of any session. In spite

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of this, the legislative record of the session is not so full as it might have been had there been more economy of time and better supervision on the part of those who are responsible for the arrangement of Parliamentary business.

The important bills which were passed may be allocated, for purposes of description, into two classes. First, consolidating measures, *i.e.*, bills which were necessary to co-ordinate the existing statutes of the four uniting Colonies, or bills which expressed the effect of Union on the administration of the country in a legislative form. Second, measures of development, *i.e.*, bills designed to help the progress of the country by advancing its legislative authority a step beyond the stage at which the four uniting Colonies had arrived at the date of Union. In the first class can be placed the bills regulating the administration and control of the public and railway services of the country. The necessity for having a separate measure governing the railway service arises from the fact that the South Africa Act directs that the administration of the railways and harbours of the country is to be kept quite apart from the general administration. In the same class may be placed the Irrigation Bill, a measure which at once consolidated and improved the existing legislation of the four Provinces in respect of the use of water for the purposes of agriculture. In the second class comes the Defence Bill, providing, as it does, for the internal defence of the country by a citizen army and a small local standing force, instead of by the Imperial troops at present stationed in South Africa. In this class, also, should be placed the Land Settlement Bill, a measure which, though liable to severe criticism on the ground that it may be used for the purpose of giving grants of land to the indigent white class of the country on the one hand, and, on the other, for making advances to farmers at a cheaper rate of interest than would be charged in the ordinary course of business, yet has potentialities for usefulness if a wise use is made of the powers which it bestows on the Government. Here, too, should come the Miners' Phthisis

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Bill, passed during last session in order to meet the need—universally acknowledged throughout the country—of making special provision for the compensation of those who contract the terrible phthisis which attacks the underground worker in the mines of the Witwatersrand.

These were the important Acts of the session, but they leave untouched many subjects which cry out for legislative action. Prominent among these neglected subjects are the question of the financial relations of the provincial administrations in this country with the Government of the Union, a subject which was exhaustively dealt with in the last number of *THE ROUND TABLE*, and the question of the restriction of immigration into South Africa. The Government made some show of dealing with both these subjects during the session, and bills were actually introduced. But the proposals contained in these bills aroused so much preliminary opposition that no real attempt was made to pass them through the Lower House. On the question of financial relations, the proposals of the Government departed in some material points from the recommendations made by the commission appointed to inquire into the subject. The recommendations of the commission were designed to extend to the other provinces of the Union some measure of the system of local self-government which had been developed in the Cape Colony before Union. But the essence of local self-government is some system of self-taxation for local purposes, and to this there was the strongest objection on the part of the two smaller provinces, Natal and the Orange Free State. The Government proposed to give way on this point and to supplement the local revenue of these two provinces by the grant of lump sums from the Treasury of the Union. These proposals awoke fierce resentment, especially among those who represent the Cape Province in the Union Parliament. The Government, therefore, found it expedient to shelve the Financial Relations Bill at least for a year, though no doubt when the Union Parliament next meets the urgency of the

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question will force it again to the front. The present system, by which the central Government supplies all the funds necessary for provincial administration, is extremely undesirable: it encourages a policy of grab among those who are responsible for provincial administration; it exacerbates those feelings of rivalry as between the inhabitants of the different provinces which should be allayed and not fostered by Union; and it hinders the development of local self-government in the more backward provinces by encouraging the idea that all that is necessary for local development is to wring as much as possible out of the Treasury of the Union.

The opposition to the proposals of the Government on the question of restriction of immigration into the Union was different in its nature but quite as effective in its results. The conviction of the great majority of the people of South Africa is that the immigration of Asiatics is undesirable from a social, and ruinous from a business point of view. In the Transvaal before Union this sentiment resulted in the passage of legislation in which differential treatment was imposed on Asiatics desiring to come into the Colony. Effective as this legislation may have been, it left a sense of hardship and a conviction of injustice in the minds of those to whom it applied, not only in the Transvaal but also throughout British India. To similar differentiation in the legislation of the Union the Imperial Government advanced strong objections. A way out of the difficulty was found by a clause in the Bill drafted by the Government of the Union, which, while not differentiating against the Asiatics, left very large powers of practical discrimination in the hands of the Immigration Department. It was admitted that the intention of the Act was to keep the Asiatic out of South Africa, but no mention of any such intention was made in the Act itself. This policy was accepted by the leaders of the Asiatic community in this country and satisfied the Imperial Government. But now another difficulty arose. The province of the Free State had always set its face with

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the utmost determination against the admission of the Asiatic, and its representatives in the Union Parliament refused to accept the suggested solution; nothing would satisfy them but the specific prohibition of the entry of Asiatics. Allied with the Free State members were a number of members from other provinces who feared that the almost absolute power which the Bill proposed to place in the hands of the immigration authorities might be used to do injustice to others than Asiatics desiring to enter the country. The experience of Australia seemed to show that the fears of the latter class of objectors were unreasonable, though it is true that many South Africans would refuse to accept the proposition that Australian experience is a trustworthy guide for those who have to deal with the present government of this country. Be that as it may, the objections which were raised to the Immigrants Restriction Bill were sufficient to bar its passage during the recent session, though the Government made a half-hearted attempt to rush it through almost on the last day, a course which was understood to be the result of the strong representations of the Imperial Government as to the necessity of the Bill being passed by the South African Parliament.

Such being the main legislative output of the session, a word as to the less tangible aspects of the work of the South African Parliament may not be out of place. As the session drew on it became more and more plain that the unreality of the present political divisions, to which attention was drawn in the last number of *THE ROUND TABLE*, was a very real obstacle to the efficiency of the Parliamentary machine. It is not too much to say that between the different sections of the Nationalist party there is a more real line of division than between the more advanced section of that party and the Unionists to whom they are nominally opposed. This deep-cut difference between the two wings of the party which supports the present Ministry is reproduced in the Ministry itself. Thus one section of the Cabinet is modern in its ideas, believes in the necessity of progress and development, and is

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prepared—so long as no sacrifice of political influence is entailed—to range itself on the side of the forces of advance. On the other hand, there can be no doubt that during the past session what may be called the progressive section of the Cabinet did not gain appreciably in influence. This was probably due to the emergence of a cross line of division which made itself felt to a far greater extent than in the first session of the Union Parliament. Originating in provincial feeling, this division appeared to paralyse the will of those ministers who have hitherto been noted for their energy and their efficiency. It is, of course, only natural that ministers who have continually to be thinking whether a course which commends itself to them will find favour with the different sections of their supporters, drawn from the various provinces, should be uncertain in their actions, prone to give way as soon as opposition develops in any unexpected quarter, and correspondingly ineffective in their management of the business which they have to pilot through the House. Certainly this was the case last session with both General Smuts and Mr Hull, who had marked themselves out during the preceding session as the two most efficient members of the Ministry. If proof is needed of this assertion it is to be found in the fact that almost all the important bills of the session went through examination by Select Committees and emerged from the committee-rooms almost completely transformed. A ministry which can calmly accept the complete recasting of its bills by Select Committees, the majority of whose members are drawn from its own followers, must be either very weak or very cynical. There are critics who say that the Botha Ministry is both; and there may be some justice in the accusation. No one objected when the Defence Bill was referred to a Select Committee; compared with the paramount necessity of providing for the internal defence of the country, all considerations of ministerial dignity or of party advantage were felt to be unworthy. But when the Government accepted at the hands of Select Committees the almost

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complete remodelling of such measures as the Miners' Phthisis Bill, the Public Service Bill, the Railway Service Bill (though it should be said that most of the work of the Select Committee on this Bill was done during the preceding session), and the Land Settlement Bill, all of them measures which raised clear issues of policy, it began to be clear even to indulgent critics that the Ministry was unable to make up its mind as to the principles by which it intended to stand even on such important topics as these, before it introduced to Parliament the bills in which those principles were embodied. And this judgment of the weakness of the present Ministry is not the judgment of a partisan, for it is admitted in private by many of the Ministry's own supporters.

II. MINISTERIAL DISSENSIONS

THE ministerial crisis which startled the political world of South Africa during the fourth month of the session showed that dissension was not confined to the rank and file of the Nationalist Party. Mr Hull's resignation came about with what appeared to be dramatic suddenness, but there is no doubt that it was the culmination of a long-standing difference of opinion. There were, it is true, elements of personal antagonism between Mr Hull, the first Minister of Finance of the Union, and Mr Sauer, the first Minister of Railways. Neither minister made any attempt to conceal this feeling of antagonism. On the other hand, the fundamental cause of the crisis which led to the resignation of Mr Hull was a question of principle. It may be true that some means of reconciling the differences between the two ministers, as far as those differences were concerned with the question of principle, would have been found if the personal antagonism between them had not made a reconciliation impossible. Nevertheless it is upon the matter of principle that stress should be laid, since that question

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deeply concerns the future good government of the Union. This matter can be very briefly summed up in Mr Hull's own words, used in the course of the statement in which he sought to justify his resignation before Parliament and the country. He said:

To state the matter quite shortly and concisely, the reason why I have retired from the Government is because I do not approve of either the methods or the policy which are being pursued with regard to the railways. That is the sole and only question upon which I am in disagreement with the policy of the Government. . . . Shortly, my objections may be put under two heads: Firstly, that the members of the Cabinet and certainly I, as Minister of Finance, have not been consulted on important matters affecting the Railways and their administration, and which I regard as of vital importance; and, secondly, that the provisions of the South Africa Act relating to the Railways are not being observed.

Developing this contention, Mr Hull pointed out that "if, owing to any error of judgment or other cause, the (railway) administration should become unable to meet its obligations, the burden would be shifted to the shoulders of the general taxpayer. But I should be in an impossible position if I had to face the country with taxation proposals to meet deficits for which I was in no way responsible."

So much for the question of the responsibility of the Minister of Finance for the financial policy of the railway department. But Mr Hull also insisted that the Cabinet as a whole, had not been properly consulted by Mr Sauer as to the policy adopted by him in developing the railways. On both these charges he went into considerable detail and Mr Sauer, in replying to these detailed charges, categorically denied much of their substance.

The difficulty between the two departments, and indeed between the railway minister and the Cabinet as a whole, first arose, no doubt, as a consequence of the provisions of the South Africa Act with regard to the administration of the railways. The Act lays it down (Section 127), that the "railways, ports and harbours of the Union shall be adminis-

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tered on business principles." The same section establishes the principle that railway profits are not to form part of the general revenue of the country. The estimates of expenditure for the railways are thus kept separate from the estimates of ordinary expenditure, and the control of the railways is exercised through a Board of not more than three Commissioners who cannot be removed except on cause assigned, which must be communicated specially to Parliament. Of this Board the Minister for Railways is chairman. There is no doubt that the result of these provisions has been to keep the administration of the railways very much apart from the general administration of the country. But it was the general opinion that, though this separation of administration was intended by the National Convention when it drew up the South Africa Act, there was much in Mr Hull's contention that general supervision should be exercised by the Treasury, and that the Minister for Railways, before he came to a decision on important points of policy connected with his department, should consult the Cabinet as a whole. Mr Sauer, indeed, did not contest the justice of these contentions. All that he did was to deny the correctness of Mr Hull's assertion that he had failed to do his duty in these respects. It must be said that Mr Hull's colleagues in the Cabinet, though they were very cautious in the statements which they made in the House of Assembly, were clearly of opinion that Mr Hull was correct, while the general opinion of Members of Parliament and others who were qualified to form an opinion on the matter also favoured Mr Hull rather than Mr Sauer.

Yet it was Mr Hull who was allowed to resign while Mr Sauer remained a member of the Botha Ministry. A word may therefore be said as to Mr Hull's tenure of office as the first Minister of Finance under the Union. There is no doubt that the office was one of exceptional difficulty. The conflicting financial methods of the four Colonies before Union had to be systematized and organized into a consistent policy. The administrative staffs of the four colonies

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had also to be welded into an instrument of Union administration, and, though this task was primarily placed in the hands of a commission appointed for the purpose, much depended on the supervision of the Treasury. Different systems of taxation in the four colonies had also to be reconciled, as far as possible, in the early days of Union. Those who give proper consideration to these and other problems, the solution of which fell to the share of the first Minister of Finance, are not likely to under-estimate the magnitude of the task which Mr Hull undertook. Acute but uncouth, courageous but rash, at times tactless in his utter disrespect for persons, yet none the less strong for that, Mr Hull was perhaps not in every way the most suitable person to undertake this task. He was, too, comparatively inexperienced in Parliamentary practice, and this lack of experience was a distinct handicap to him in his earlier days of office. To the last, indeed, he retained a pathetic faith in financial expedients of the cruder kind. This defect came out clearly during the last days of his tenure of office in his proposal to tax bearer shares and the shares of non-South African companies holding investments in this country. Yet, in spite of all these drawbacks, it cannot be said that Mr Hull was anything but a courageous and painstaking, if in no way a brilliant, Minister of Finance; and there is this to be said in his favour, that he was conscious of his inexperience, willing to learn from those—like Mr Merriman—who had had long Parliamentary experience, and ready to acknowledge the benefit which he had obtained from actual tenure of his office. He fell a victim to the exigencies of political tactics in a country which is apt to pass hard judgments on the shortcomings of its public men, to underestimate the value of the work which they undertake, and to be sceptical as to the very real sacrifices entailed by a public career in the case of men like Mr Hull, who abandon lucrative occupations to take on themselves the harassing and much less lucrative task of conducting the business of the country.

RECONSTRUCTION OF MINISTRY

III. THE RECONSTRUCTION OF THE MINISTRY

OBSERVERS who follow with intense interest every move in the game of politics did not fail to point out that the Prime Minister, faced by the crisis of irreconcilable disagreement between Mr Sauer and Mr Hull, had jettisoned the latter, although it was generally agreed that he had been in the right so far as the merits of the case were concerned. They also laid emphasis on the fact that Mr Hull was a close personal friend and associate of the Prime Minister, while Mr Sauer had always been the friend of Mr Merriman, General Botha's rival for the Premiership. They drew from these facts the conclusion that General Botha had only retained Mr Sauer because he was able to command a considerable number of votes, and they also predicted that for the future General Botha would be a cypher in his own Cabinet and that Mr Sauer would practically occupy the position of the dictator of the Nationalist party. There can, it is true, be little doubt that General Botha's retention of Mr Sauer was due to his having a considerable following; but the reconstruction of the Ministry, which has taken effect since the close of the session, shows that the position of Mr Sauer in the Nationalist party is by no means so overwhelming as some had imagined. In its new form the Ministry is composed of nine members, but it has been officially announced that one of these, Sir David Graaff, intends to resign shortly owing to ill-health. The Prime Minister is for the future to hold no other portfolio. The Department of Agriculture, which he has hitherto controlled, is now transferred to Mr Sauer, who hands over railways and harbours to Mr Burton. Mr Burton's portfolio, that of native affairs, now goes to General Hertzog, who will hold it in addition to his old portfolio of justice. General Smuts retains the control of the Department of Defence

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and becomes also Minister of Finance, while Mr Fischer takes over the Department of the Interior from General Smuts, adding it to that of Lands which he held previously. The other changes are comparatively unimportant and need no detailed mention.

Two things are irresistibly suggested by this reconstruction. The first is that the rearrangement of departments has resulted in a very ill-assorted assignment of duties. The combination of the Department of Finance with that of Defence is, as Mr Merriman has pointed out, particularly unfortunate, for the Defence Department is by its very nature prone to demand ever increasing expenditure, while it is the prime duty of the Minister of Finance to keep a rigid check on the disbursements of all the other departments. General Smuts is also naturally unsuited for the Ministry of Finance, having had no experience of either business or commerce and having no title whatever to hold any post demanding financial ability, though his efficiency in almost any other branch of administration is universally admitted. Mr Sauer is merely an amateur farmer; Mr Burton has not even the knowledge of a dilettante on the subject of railway administration; Mr Fischer's record as Minister of Lands inspires no confidence in his ability to control the Department of the Interior; and General Hertzog has publicly expressed views on the native question which rouse grave doubts as to the wisdom of giving him control of the department which deals with the native peoples of the Union. The second conclusion which is suggested by the reconstruction of the Ministry is that it is practically a defeat for Mr Sauer. Beyond question General Botha insisted on his relinquishing the portfolio of railways, and, though Mr Sauer was able to impose two conditions—that Mr Burton, his close friend in the Ministry, should succeed him in that office, and that he himself should act as Premier when General Botha was absent from the Union—the fact that he consented to be deposed from a department which both experience and inclination qualified him to fill shows that

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the Prime Minister was able, in the last resort, to impose his will even on so formidable a colleague. Whether the Ministry thus reconstructed will last for the remaining three years of the life of the present Parliament only time can show. But it is already certain that the reconstruction has not improved the efficiency of the Ministry as a body, and that the grave dissensions which made the reconstruction necessary cannot have been permanently remedied by the constraint which has been forced upon one of its most astute and experienced members.

South Africa. July, 1912.

NEW ZEALAND

I. CLOSER RELATIONS WITH AUSTRALIA

IN the last number of THE ROUND TABLE there appeared an article entitled "Commonwealth and Dominion," in which the question of the relations at present existing between the Commonwealth and Dominion was, to some extent, dealt with. In view of the importance of the matter to us Antipodeans, it is proposed to continue the discussion on broader and more elemental lines. The questions which we shall attempt to answer are as follows: Will the Dominion ultimately become part of the Commonwealth? If political federation is out of the question, is fiscal or commercial union more probable? Are the two Dominions likely to join their forces for purposes of (imperial) defence? It is of all, in order that readers outside Australasia may appreciate the local conditions which are the factors of this threefold problem, it may be advisable to state concisely certain outstanding facts concerning the position in 1912 of Australia and New Zealand respectively.

Australia itself (apart from its adjacent islands) is a continent having an area of some 2,900,000 square miles, and is thus nearly three-fourths the size of Europe and twenty-four times as large as the United Kingdom. It has a population of about four and a half millions of white people, almost exclusively of British extraction, with a small sprinkling of black aborigines, degraded and disappearing. The northern half of the Australian Continent lies within the Tropics; the south only is in the temperate zone. The Commonwealth of Australia as a political unit came into existence on New Year's Day, 1901, through the

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voluntary federation of the Colonies of New South Wales, Victoria, South Australia, Queensland, Western Australia, and Tasmania. The then Colony of New Zealand, after due deliberation, elected to remain outside the Federated Australian States, and has continued independent of the Commonwealth to this present year of grace.

Some 1,200 miles to the south-east of Australia lies New Zealand. Between the Commonwealth and the Dominion roll the lonely and stormy waters of that portion of the South Pacific Ocean known as the Tasman Sea. New Zealand proper consists of a group of three islands—North Island, South Island, and Stewart Island—divided by narrow straits. These islands together are more than twice the size of England, and contain slightly over one million people of British stock, as well as about 50,000 Maoris. The three islands are entirely outside the tropics, and naturally enjoy a cooler climate and a higher average rainfall than does the Continent of Australia. New Zealand was proclaimed a British possession in 1840, and formed part of the parent colony of New South Wales until 1841, when it was made a separate colony. It then remained a Crown Colony till 1852, in which year representative government was granted to the infant "Plantation" by the British Parliament. In 1907 the growth of the Colony in wealth and enterprise (as well as political ambition) caused it to be proclaimed as a full fledged Dominion.

Australia is now, of course, a Commonwealth composed of several federated States. New Zealand, on the other hand, remains a unitary State or "Dominion" as its politicians now prefer to call it. With the object of raising revenue, as well as to protect their youthful manufactures, both the Commonwealth and the Dominion have adopted high tariffs on imported goods. Both also give a small preference to imports from Britain and her Dominions over those from foreign countries, which pay higher duties.

Within the past few years Australia and New Zealand alike have become at last alive to their dangers and duties as

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isolated "Outposts of Empire" in the Pacific, and they are now both actively enforcing a system of compulsory and universal training, very much on the principles laid down by Lord Kitchener during his visit to Australasia in 1910. Regarding naval defence, Australia and New Zealand, unfortunately, are proceeding at present on somewhat different lines of policy. The Commonwealth is creating, under the title of the Australian Unit, a local navy for its own defence and at its own expense; New Zealand, on the other hand, contents itself meantime by increasing its yearly contribution to the British Navy from £40,000 to £100,000, besides presenting an armed cruiser to the King at a total cost of £2,000,000.

It will be gathered from the foregoing bald statement of facts that at present New Zealand and Australia are quite independent of each other, although both are within the Empire. Each "Nation in the Making" is a separate political entity, surrounded by a high tariff wall. It is true that either country has a citizen army *in posse*, if not *in esse*, but the two forces are under separate and local control. As we have mentioned, also, their respective ideas as to the best method of naval defence at present are widely divergent.

Mr Andrew Fisher, the Prime Minister of the present Labour Government in Australia, has recently announced in public more than once that this state of disunion at the Antipodes should not be allowed to continue, and, with great daring, he has ventured to prophesy that New Zealand will become a State within the Australian Commonwealth in less than twenty years. He thinks, also, that within the next five years there will be an agreement between the Commonwealth and the Dominion on matters of defence, and has further expressed his desire that there should be a freer interchange of products between the two countries "amounting even to free trade."

Whether these views of Mr Fisher are well founded or not, he is entitled to great credit for having put them

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forward. In some respects, indeed, he is clearly in advance of public opinion, a state of mind that is not too common among politicians at the Antipodes. From his utterances he appears to be a statesman who has the courage of his opinions, on inter-Dominion matters at all events, and we shall proceed to examine these opinions with the respect that they undoubtedly deserve.

First of all, then, is Mr Fisher's political prophecy likely to be fulfilled, that New Zealand will become a state within the Australian Commonwealth in less than twenty years?

As previously stated, New Zealand at its origin in 1840 formed a portion of the Colony of New South Wales. That it will again become a part (or a State) of Australia we do not believe. Politically it has little or nothing in common with the Australian Commonwealth; geographically the two countries are widely separated by the ocean. Between the Commonwealth and the Dominion there are some twelve hundred watery but effective reasons against Federation. It would, in fact, be waste of space to elaborate this point, which is already sufficiently obvious to the great majority of the inhabitants of both countries. The *New Zealand Herald* recently put the Dominion point of view in a few graphic sentences:

Although one thousand miles distant from Australia at the nearest point, although situated in a different climate and inevitably destined to display a different national temperament, although already possessed of a national character, national aspirations and national peculiarities,—although already served by Imperial affiliation much better than it could be served by any mere local federation, the Australian Prime Minister has no deeper insight than to predict the sinking of New Zealand into the *status* of a petty and subordinate Australian State. As we have frequently pointed out, there is nothing to prevent such closer commercial relations as may be mutually advantageous. But before New Zealand denies its independence under the Empire, and seeks shelter under the mantle of the Federal Parliament, there will be a new political heaven and a new political earth. At the present time the proposal is simply absurd.

The foregoing extract may be accepted as fairly typical of

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the tone of the press of New Zealand regarding the question of federation with Australia. And there can be little doubt that the newspapers in this respect represent the attitude both of the politicians and the people—two classes which do not always think alike. Our politicians, apart from higher motives, have no burning desire to step down from the exalted position of representing an autonomous Dominion, with a Governor, Prime Minister and High Commissioner of its own, to the subordinate *status* occupied by Parliamentarians in the several states of the Commonwealth. The people of this Dominion, or those of them who think at all on such matters, are of opinion—rightly or wrongly—that they have little to gain and possibly much to lose by becoming citizens of a petty state of Australia. Visions of being consistently outvoted on matters of purely domestic import blind the eyes of the plain man in this Dominion to the alleged advantages of the dazzling prospects of Federation held out by Mr Fisher.

We think, then, it may be taken for granted that New Zealand will not in our time become part of the Australian Commonwealth. Let us now proceed to inquire whether it be true that, as the *New Zealand Herald* has told us, “there is nothing to prevent such ‘closer commercial union as may be mutually advantageous.’” How are Mr Fisher’s public overtures in the direction of free trade between the Commonwealth and the Dominion likely to be received by us New Zealanders?

Some three hundred years ago Francis Bacon said concerning the “Plantations” of his day: “Let there be freedom from customs, till the plantations be of strength: and not only freedom from Customs, but freedom to carry their commodities where they may make the best of them.” This sage advice has not yet been followed at the Antipodes, for not only have Australia and New Zealand erected a wall of tariffs against the outside world, but against each other. Recently, we are glad to say, people are beginning to protest against this unnatural condition of fiscal matters. As we have

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seen, Mr Fisher himself, the chosen high priest of organized Labour, has declared in public against it. He appears anxious to have reciprocity between the Commonwealth and the Dominion "amounting even to Free Trade." Is this a mere pious hope—a counsel of perfection—or is it a political aspiration likely to be realized?

On the whole we are of opinion that Mr Fisher is right in his views on this question. We think reciprocity between the two countries is eminently desirable in the interests of both, and that the more bold and comprehensive the scheme put forward the more likely it is to be accepted. It may savour of paradox to say that two avowedly Protectionist communities will adopt between them Free Trade more readily than a scheme of partial Reciprocity, but we believe it to be the case. Mr Fisher has been twitted in the local newspapers with the failure of the negotiations for Reciprocity between Australia and New Zealand in 1906. His explanation is a simple one, and we are satisfied is true: The proposals "did not go far enough." When two nations endeavour to arrange between themselves the complicated details of a Reciprocal Tariff Agreement, each of the "high contracting parties" naturally and almost inevitably tries to get the better of the bargain, and the result too often is disagreement. Such was the end of the late Mr Seddon's attempt at Reciprocity six years ago, and we fear that a similar fate would befall any fresh proposals on similar lines. But we do believe that, if the people of both countries would look at the project broadly and dispassionately, a free exchange of commodities between the Commonwealth and the Dominion could be brought about without haggling, to the immense advantage of both communities.

Let us glance for a moment at the present trade relations between Australia and New Zealand. Critically examined, they present all the elements of a sordid, and almost tragical, comedy of commerce. For here we have two island peoples of British stock living side by side, with different climates and varied commodities, each penalizing

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its own citizens by means of a tariff upon the produce of its neighbour. As the *Sydney Morning Herald* pertinently asked the other day in a leading article, why should two countries "bound together by ties of Nationhood set up mutual antagonisms for no apparent reasons, save perhaps the perverse reason of scientific Protection at all costs? The folly of the thing is becoming more and more obvious, however, and tendencies show an increasing desire for give and take." Australia requires, and must have, certain natural products and manufactured articles from New Zealand; New Zealand requires, and must have, certain manufactured articles and natural products from Australia. Why, in the name of common sense, should the unfortunate inhabitants of either country have to add to the cost and freight of goods so imported a heavy Customs duty? The expense of living, we are told, is going up year by year on both sides of the Tasman Sea. Why add to it by unnatural means? Why not rather seek to reduce it in one obvious way? No doubt during the period of conversion to even partial Free Trade certain manufacturers and their workmen would suffer from the dislocation of various industries at present "protected." But any loss thus sustained would be enormously outweighed by the benefits derived by the great mass of producers and consumers in both countries. So far as New Zealand is concerned, indeed, it has recently been estimated that the cost of our tariff is so much in excess of the wages paid in the industries it is designed to protect, that all the manual workers in those industries might be pensioned off on full pay, and the people of the Dominion would still be saving over half a million a year!

Nature itself seems to protest against this dual system of forced and unnatural "Protection." It is at once curious and instructive to note how the seasons differ in Australia and New Zealand. As a rule, a good summer for the farmer in New Zealand is a bad one for the farmer in Australia. Last year in New Zealand we had something approaching to a drought. One result was the prompt importation from

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Victoria and Tasmania of large quantities of farm produce, vegetables and fruit. This year the tables are turned and every steamer at present leaving the southern ports of the Dominion for the Commonwealth is laden with oats, fodder, potatoes, and onions for those parts of Australia where the rainfall for 1912 so far has been deficient. The net result is of course that Protection does not protect on either side of the water, and the unfortunate but "protected" working-man all over Australasia has to pay a heavy import duty upon the daily food his family demands. In view of this state of things, it is reassuring to note that Mr Laurensen, the present Minister of Customs in New Zealand, stated a few weeks ago that he was aware of Mr Fisher's desire "in a general way," and hoped there would be some arrangement made mutually satisfactory to the Commonwealth and the Dominion. Mr Laurensen added that "the Canterbury implement makers, who had established a reputation outside New Zealand for their product, had represented that under a reciprocal treaty with Australia they could do a very large trade with that country, as in fact they did before the Commonwealth tariff came into operation. New Zealand might respond by removing the duty from certain timbers peculiar to Australia and largely used in New Zealand. In times of scarcity in either country the inflation of prices in food products might be prevented if free exchange could be arranged."

The trade returns between the two countries over a series of years prove conclusively how the present war of tariffs has checked the growth of inter-Dominion business. During the past ten years (i.e. since the Commonwealth tariff) the total trade of the Dominion of New Zealand (export and import) has almost doubled, whereas the total trade between the Dominion and the Commonwealth has remained stationary. To quote the *Sydney Morning Herald* again, and in conclusion:

The Dominion has stoutly maintained its independent attitude in the matter of Federal overtures and that of joint navies. But mutual trade advantages are in another category, and the merest common

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sense, on a business foundation, should be all that is necessary to provide a basis of agreement.

So far, then, we have seen that Federation in our view is non-essential and therefore most unlikely to be brought about. We have ventured also to predict that a wide measure of Reciprocity in trade is so desirable as to be almost certain. The third and most important question remains still unanswered. What about Defensive Union? Is Mr Fisher right in thinking that within five years there will be an agreement between the Commonwealth and the Dominion on matters of defence? To that question there can be but one answer for any person who is familiar with the pregnant facts. In less than five years Australia and New Zealand will be *compelled* to agree in combining their naval and military forces for the better defence of their common Empire.

If two small nations ought ever to be bound together for self-defence by what Mr Kipling, in his kindly way, has termed "ties of common funk," surely the Commonwealth and the Dominion should now be so united. However loudly Pacifist and Socialist orators may bray at street corners about Universal Peace, there is no doubt that the large majority of our people at the Antipodes are now keenly alive to their risks and responsibilities as isolated, but loyal, children of the Empire. They realize that in the event of war practically all Britain's battleships would almost certainly be concentrated in European waters. They realize also that on the inhabitants of Australia and New Zealand themselves must devolve the task of defending their hearths and homes from foreign invasion. They are beginning to understand too that, with the opening of the Panama Canal and the possible ending of the Anglo-Japanese Alliance in sight, it will shortly be more than ever necessary to have a strong and united British fleet in the Southern and Western Pacific. Readers of THE ROUND TABLE do not require to be told that we Britons at the Antipodes have for the past year or two been struggling towards the goal of efficient local defence, both on land and

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at sea. Australia and New Zealand alike have provided for their "internal defence" by insisting on compulsory military training, and each country is even now engaged in organizing its citizen army. As already pointed out New Zealand still remains faithful to the direct naval subsidy, while the Commonwealth is now busily building an Australian naval unit of its own to pass under the control of the Admiralty in time of war.

Thus we see that each of the two youthful nations is providing for its own territorial security, and at the same time is aiming at some measure of assistance to the Empire on the sea in time of need. The true Imperial spirit is willing in both countries. All that is lacking is co-operation, based on an enlightened and uniform policy.

To deal with the land forces first, it is clear even to the average civilian that the two countries should adopt homogeneous military systems, in order to be able efficiently to support one another in the event of national, or rather Imperial danger. As Lord Kitchener told us two years ago: "The desirability of such co-operation is evident by reason of the geographical position of the two countries." This essential homogeneity has, we understand, been carried out so far as the Australian and New Zealand Territorial Forces are concerned. But to the plain man it would appear that something more is required. The forces of the units of our Empire should be standardized. There should be some continuous point of contact between the Dominion forces and the Imperial Army, as there already is between the Navy and its units abroad. For such a plan as this we must perforce look to the War Office. The Imperial General Staff alone can formulate the organization requisite for linking up the scattered forces of our Empire.* We Anti-

* Some such scheme was formulated by the General Staff for the Defence Conference of 1909 and endorsed by its Members, excepting the representatives from South Africa who were unable to express adherence to any policy which might seem to bind the Government and Parliament of the Union of South Africa in anticipation of their establishment. Vide pp. 33-52 of papers dealing with the proceedings of the Conference. (Ed.)

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podeans are striving earnestly to put ourselves in a position to defend our Dominions from a possible army of occupation; from the Imperial General Staff we would welcome further light and leading as to the best method of attaining this result. Before these lines appear in print, the Empire Trade Commission will no doubt have entered upon its labours. Would it be too much to expect an Imperial Defence Commission on more modest and confidential lines, to visit and advise all our British Dominions? "Defence," as Adam Smith has told us, "is of much more importance than opulence."

Reverting to the Naval question, it is true that up to the present this Dominion (in the words of the *Sydney Morning Herald*) "has stoutly maintained its independent attitude in the matter of . . . joint navies." But that attitude is not of necessity a final one. Nor is it in any true sense the deliberate and well-informed judgment of the people of New Zealand. Even now the man in the street here does not know the real reasons that induced our Government of the day to adhere to a direct subsidy to the British Navy in place of joining Australia in setting up an Australasian Unit. It may be that responsible statesmen in the Dominion shared the fear (now happily groundless) of many Australians in 1907, and even later, that the Commonwealth policy tended in the direction of creating an independent navy. What is certain is that the underlying motive which prompted most of us in tacitly preferring the direct subsidy was one of loyalty to the Crown. The average New Zealander in 1909 assumed in his ignorance that all that was wanted from him then was an increased contribution to the funds of the Royal Navy, and that contribution he is still prepared cheerfully to augment. Our representatives at the Defence Conference in that year may have been better informed, but they did not take the public into their confidence. As events have turned out, it now appears that we *may* have made a mistake, and that we might have better served the Empire, and ourselves, by joining hands with our

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Australian brethren. It is not yet too late to do so; and we welcome the opportunity of hearing Mr Fisher's views regarding this vexed question on the occasion of his promised visit to our shores. It may be taken for granted that, if the people of New Zealand are once convinced that the Admiralty advisers would prefer them to combine with the Commonwealth in the creation and control of an Australasian Unit, that policy will at all cost be adopted and carried out. But here again we, the tax-payers of the Dominion, are largely in the dark, and we should welcome a clear lead from Whitehall on this momentous question.

The times are now ripe for the solution of this local aspect of the great problem of Imperial Defence. We know the Australian point of view, as put forward by Mr Fisher; we know, too, that Mr Myers, our present Minister of Defence, is not only a staunch supporter of compulsory training, but a sound and even enthusiastic Imperialist. Should the Mackenzie Ministry be replaced by a Massey administration, it is almost certain that Mr James Allen will become our Minister of Defence, a position for which he is admirably fitted by his long and practical experience in military and naval affairs. It is publicly known that Mr Allen holds strong views as to the urgent necessity for closer co-operation between the Dominions and the Motherland in matters of Defence. In these circumstances we look forward with confidence to an early agreement between the Commonwealth and the Dominion whereby each would contribute to the defence of the whole Empire according to some definite and well-ordered scheme.

In the result, then, the following conclusions emerge directly from our consideration of Mr Fisher's proposals: as between Australia and New Zealand, Federation is highly improbable, reciprocity "amounting to even Free Trade" is both desirable and likely; and Defensive Union in some form is imperative.

Apart from and yet underlying these direct conclusions on

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the immediate matters in hand, the student of politics at the Antipodes may discern the birth and growth of wider views, of more and truer Imperial thinking, amongst the "plain people" on both sides of the Tasman Sea. It has become obvious that the Commonwealth and the Dominion alike are now imbued with a self-conscious national life, that they both realize their duty of territorial defence on land and sea, and that they have begun to grasp the vital fact that if their common Empire is to endure it must be defended by the joint efforts and sacrifices of all its self-governing peoples. As we have seen, they dimly recognize that as two of these peoples they must combine their forces for common defence, but they are even now waiting for the best method of co-operation to be made plain to them, possibly by clear-cut suggestions from the War Office and the Admiralty.

II. THE POLITICAL CRISIS

THE results of the second ballots in the New Zealand General Election were known on December 15 last, and writing six months afterwards one is compelled to admit that even the immediate future is as hard to foretell now as it was then. Having scored a nominal victory on the Opposition's no-confidence motion in the short February session, with the aid of the Speaker's casting vote, the Ward Government, pursuant to the promise given by its leader during the debate, resigned. The resignation was delayed for a month after the critical division owing to the extraordinary difficulty of forming a new Liberal Government. By March 27, however, everything was ready; the Ward Government resigned, and the Mackenzie Government was sworn in. The most remarkable feature of the change was that, though representing the same party and avowedly the same policy, the new Government did not include a single member of the previous administration except Mr Thomas Mackenzie, who had been elected to the leadership by a Parliamentary caucus of the party. Mr Mackenzie himself,

THE POLITICAL CRISIS

moreover, was but a recent addition to the party, having only exchanged independence for service in the Liberal ranks less than five years previously. He undoubtedly made a good Minister of Agriculture in the Ward Cabinet, to which he was admitted in January, 1909, but he would have done equally well in a Cabinet of the opposite colour, for on the great test questions of land and labour his views approximate far more closely to those of the Opposition than to the more advanced ideals of the other side. Yet after Sir Joseph Ward had decided to retire, with the declared purpose of cementing more closely the Liberal-Labour alliance and had introduced the most Radical programme ever propounded in a Governor's speech, it was Mr Mackenzie who by the irony of fate was elected to succeed him.

The paradox is increased by the attitude of Mr J. A. Millar, who was Mr Mackenzie's most formidable competitor for the premiership. Mr Millar first made his mark as the organizer of the great maritime strike which in 1890 changed the face of New Zealand politics and enabled Mr Ballance to inaugurate the Liberal-Labour régime. Mr Millar was afterwards one of the first and sturdiest of Labour's representatives in the House, but in graduating from agitator and private member to Cabinet Minister he inevitably lost favour with the class that had originally monopolized his attention. Nevertheless his hard-headedness, force of character and length of service would have put his title to the Premiership beyond challenge if he had not recently seemed to fail both in industry and ambition.

But for this falling off, there was nobody better qualified to lead the party at a time when it wanted to emphasize its democratic character. Yet, now that he has failed to secure the leadership, Mr Millar, whose strength is in his Radicalism, has discovered that it is his duty either to promote a new party that will combine the moderately progressive elements of the existing parties or to force a dissolution. On what lines reconstruction can take place is probably no clearer to Mr Millar himself than it is to anybody else. The

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Opposition Party is far more homogeneous and solid than the other side, and shows no signs of a fissure through which room might be found for the admission of Mr Millar or other less important Liberal malcontents. Yet Mr Millar states definitely that he cannot join the Opposition. Chaos and dissolution seem, therefore, to be nearer than a reconstruction that would provide a reasonably stable equilibrium.

A Government which, even before Mr Millar's defection, was not expected by some to live for many days beyond the meeting of Parliament in the last week of June has naturally been described by its opponents as a "stop-gap Government." Nor has it had confidence enough in itself to act as though it had the ordinary expectation of life. The appointment on May 24, 25 and 27 of three Royal Commissions to deal with the Civil Service and the Cost of Living, and Education, has been condemned as a confession of weakness. The far-reaching importance of all these subjects, one of which is perplexing and defying the statesmanship of the world, makes them eminently suitable for authoritative non-political investigation, but the appointment of commissions to deal with such subjects in the last week of May with directions in each case to report by June 25, would seem to justify the gibe that it is not the conditions of an adequate inquiry, but the Ministry's expectation of life to which this precipitation is due.*

* The new Government, under the leadership of Mr Massey, came into power on July 10. The following are the members of the Cabinet :

Prime Minister	}	Mr W. F. MASSEY.
Minister of Lands		
Minister of Labour		
Minister of Defence	}	Colonel JAMES ALLEN.
Minister of Education		
Minister of Finance		
Minister of Railways	}	Mr W. H. HERRIES.
Native Affairs		
Attorney General	}	Mr A. L. HERDMAN.
Minister of Justice		
Minister of Public Works	}	Mr Wm. FRASER,
Minister of Mines		

COMPULSORY MILITARY TRAINING

III. COMPULSORY MILITARY TRAINING

THERE is, however, one matter, and that, perhaps, the most important of all, in which the Ministry, despite its frail tenure and despite a bad start, has shown itself very much more satisfactory than its predecessor.

In 1909 the Ward Government, deferring to a very strong popular agitation and also influenced, it was supposed, by what its leader had learned at the Defence Conference of that year, undertook the responsibility of getting Parliament to sanction the principle of compulsory military training. The amendments necessary to give effect to Lord Kitchener's recommendations were passed in the following year, and as a proof of its sincerity the Government appointed as Commandant, Major-General Godley, an officer whose pre-eminent fitness for the position has been as freely acknowledged by the opponents of compulsory training as by its supporters. But when it came to enforcing the obligations of the Act against a small but noisy band of objectors, Sir Joseph Ward, with a general election a few months ahead, seemed to lose heart. The hopes with which the weak administration of the Act inspired the Anti-militarists and the manner in which they were dashed by the verdict of the electors in December last, were sufficiently described in the March number of THE ROUND TABLE. But the weakness developed in a more alarming fashion owing to the difficulties which embarrassed the last hours of the Ward Government. A week after the Government had been saved by the

Minister of Customs	}	Mr F. M. B. FISHER.
Minister of Marine		
Postmaster-General	}	Mr R. HEATON RHODES.
Minister of Telegraphs		
Minister of Internal Affairs	}	Mr F. H. D. BELL, K.C.
Leader of the Upper House		
Member of Executive Council	}	Dr MAUI POMARE.
Minister representing Native Race		

NEW ZEALAND

Speaker's casting vote a youthful Socialist who had elected to go to gaol rather than pay the fine imposed by the magistrate for his refusal to take the oath of allegiance was released by order of the Cabinet. In announcing the decision Sir Joseph Ward explained that this offender had already been imprisoned for a previous default, and that the Com-mandant approved of the action now taken by the Govern-ment. A few days before the Ward Government resigned other military defaulters were released without either of these or any other reason being alleged.

When the Government which had established the Training Scheme had thus been persuaded to shake it to its foundations it was natural to suppose that the Mackenzie Government, representing the same party and holding office under even more precarious conditions, would carry the destructive process even further. It is true that within a few days of its accession to power the Mackenzie Govern-ment proceeded to do exactly what its predecessor had done, but this initial blunder has never been repeated, a fact that is attributable to the firmness of one man, Mr Arthur M. Myers, the Minister of Defence. Conceding from the first that he would prefer to see some other punishment substi-tuted for imprisonment, he has nevertheless insisted that as Minister he must enforce the law as he finds it. His denial that the Government contemplated a general remission or reduction of sentences was at first received with incredulity, but he has made it good. There has been no further tamper-ing with the sentences and the Defence Act has been rescued from a very grave peril. Though the mind of the people is perfectly clear on the subject, the peril is liable to recur while the present even balancing of parties continues to give a few extremists a quite abnormal power over weak-backed politicians. But if the present Opposition takes office, it is expected to have in Mr James Allen as staunch a Minister of Defence as Mr Myers has proved himself. Both have a lively sense of Imperial responsibility in which they are equalled by few of our politicians.

LABOUR UNREST

IV. LABOUR UNREST

NEW Zealand during the last two or three years has had its full share of the unrest in the Labour world which appears to have been troubling every other civilized country.

Prophecies of a serious upheaval have not been wanting, and employers have been vaguely anticipating it as inevitable. The general attitude of the workers and the small strikes that have occurred from time to time have sufficed to demonstrate that our much vaunted Industrial, Conciliation, and Arbitration Act would prove but a broken reed in the day of Armageddon. But Armageddon has not yet arrived, and the prophets of evil are beginning to realize that the struggle which is proceeding in the ranks of labour itself will have to be settled first. A general description of the aims and methods of the rival Labour Organizations was given in THE ROUND TABLE for December. Revolutionary Socialism is represented by the New Zealand Federation of Labour, of which the Miners', Seamen's and Waterside Workers' Unions constitute the nucleus. Syndicalism, class warfare, repeal of the Arbitration Act, and the repudiation by the workers of any law or agreement that may for the time being prove inconvenient are among the chief articles of the Federation's creed.

Most of the Labour Unions however have affiliated themselves to the Trades and Labour Councils which have a socialistic but not a revolutionary or lawless programme. They assert the right to strike and even the right in the last resort to declare a general strike; but they do not glorify friction and disruption as such and they expressly favour "the settlement of industrial disputes on the lines of legally established agreements and awards by methods of conciliation and arbitration." The adoption in April of the Labour Unity Scheme to which Professor W. T. Mills of Milwaukee had devoted great eloquence and organizing power has resulted

NEW ZEALAND

in the re-organization of this group under the name of the United Labour party.

The Wellington Municipal Tramway Strike in January and February brought the Socialist and the Unionist groups into active co-operation for the first time. The success of the strike, which was declared in deliberate violation of the law, and supported by threats of a general strike, added considerably to the prestige of the revolutionaries, but the advance has not been maintained. The Auckland City Council has fought them on a less dubious issue, and the general strike that was threatened if their organization was not given official recognition in the settlement of differences between the Council and its employees did not take place.

The same provincial district, Waihi, which is the chief centre of the gold mining industry of New Zealand, is at the time of writing the scene of the most interesting strike that the country has yet experienced. The Miners' Union at Waihi, which includes an overwhelming majority of the miners, and is affiliated to the Federation of Labour, cancelled its registration under the Conciliation and Arbitration Act, owing to dissatisfaction with an award made by the Arbitration Court four years ago. Disliking the methods of the Union's executive officers, some 150 men recently seceded and formed an Engine-drivers and Winders' Union on their own account, and applied to have it registered under the Arbitration Act. Without notice the executive of the Miners' Union thereupon instructed its members to "down tools." The call was obeyed and the mines have accordingly been idle since May 13. The dissolution of the new union and the return of its members to the Miners' Union were stated to be the conditions of the resumption of work. Officers of the Miners' Union and the Federation of Labour complain bitterly that a union of 150 should be empowered by registration under the Act to get an award that would bind the 1,500 non-members. The new union is, as a matter of fact, confined to engine-drivers and winders of whom it includes a considerable majority. It will therefore

LABOUR UNREST

only have power to make an agreement and secure an award which will affect men in the same kind of employment; the miners as a whole will be unaffected. But even if the complaint were absolutely correct in its assumption, the answer would of course be that the 1,500 are free to come in when they please, but they cannot be allowed to repudiate the Act and get its benefits at the same time. The long-delayed decision of the Labour Department on June 5 that the new Union could not be refused registration has removed the Federation's last hope in that direction, but as yet there are no prospects of either a general strike or a settlement. The employers, of course, could not have desired anything better than the change of the normal issue between capital and labour into a struggle between the red revolutionaries and what they are pleased to term a "Scab" Union.

New Zealand. June, 1912.



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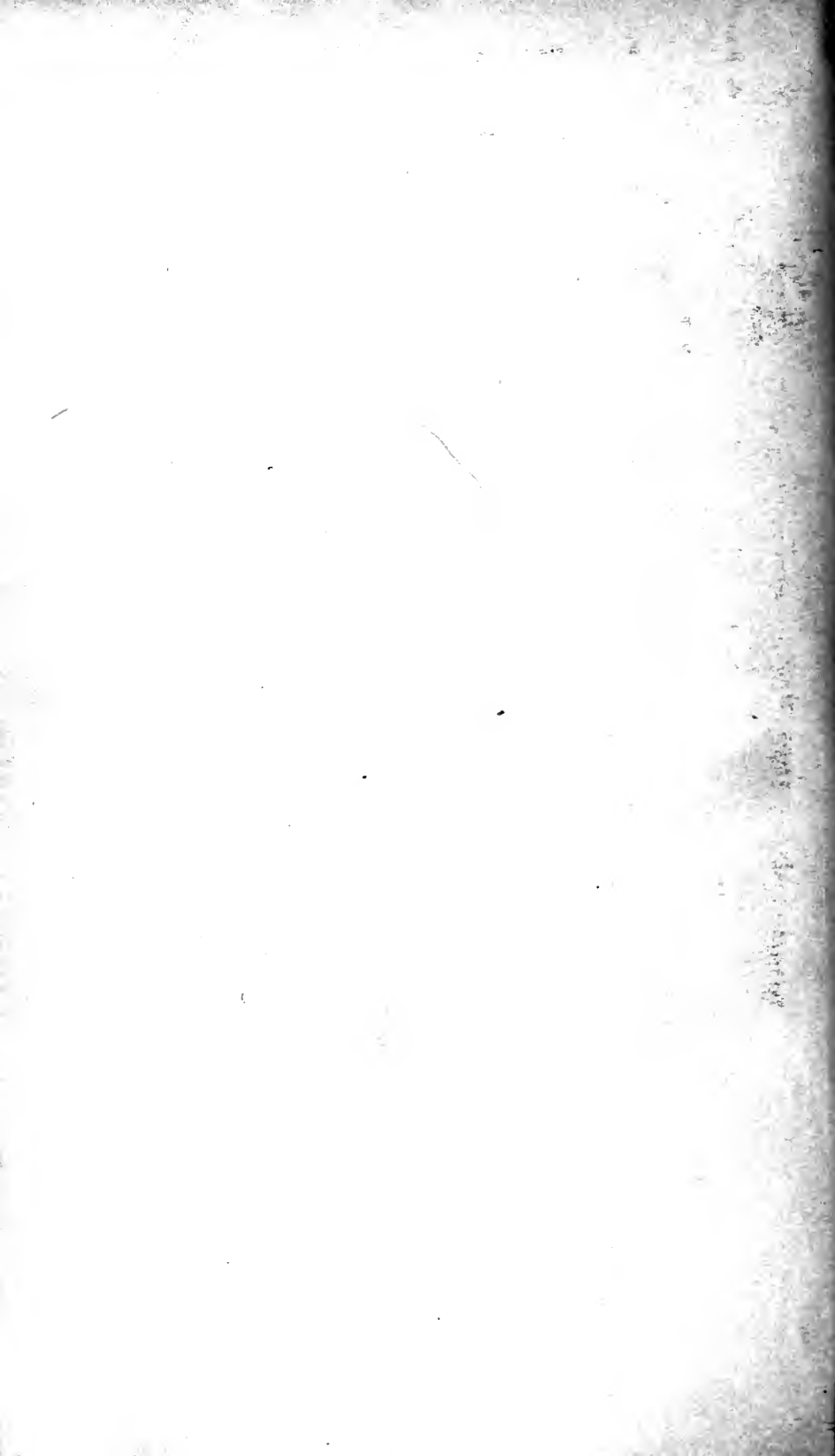
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