WHAT WE WANT
AND
WHERE WE ARE

W. A. APPLETON

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FACTS *not* PHRASES

BY

W. A. APPLETON

SECRETARY OF THE GENERAL FEDERATION
OF TRADE UNIONS

WITH A FOREWORD BY

SAMUEL GOMPERS

PRESIDENT OF THE AMERICAN FEDERATION
OF LABOR

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TO

GEORGE ROBERTS

WHOSE SYMPATHY AND KINDNESS HAVE
SUSTAINED ME DURING TROUBLOUS TIMES
THIS BOOK IS DEDICATED

FOREWORD

By Samuel Gompers

PRESIDENT OF AMERICAN FEDERATION OF LABOR

Great Britain has no man better fitted to write of the achievements and the accomplishments of British working people than Mr. William A. Appleton. Whether the reader finds it possible to agree at all times with Mr. Appleton's conclusions is of less moment than the fact that the reader will surely find Mr. Appleton's writings facts that are important and opinions that are the result of careful thought and long experience.

My own acquaintance with the author of this book goes back over a long period of years. As a leading trade union official in a position which has brought him in touch not only with the workers of his own country but with the workers of the world, Mr. Appleton has lived and served through a period which forms a large and illuminating background for his present effort.

He is not one of those who will, to quote his own language, "reiterate frequently exploded platitudes" or "rejoice anew over the passing of vain resolutions." Mr. Appleton is essentially and fundamentally a trade unionist. He is thoroughly in accord with the American trade union movement in his attitude toward the theories, formulas and dogmas of the politicians. In matters of trade unionism, Mr. Appleton is probably more nearly American than any other leading British trade union official. For that reason his viewpoint and his analysis will be particularly interesting to Americans. They will be able to understand him because of this kinship of mentality.

Entirely aside from the general soundness of his views and the practical value of his information, Mr. Appleton has a claim upon Americans for a sympathetic reading of his book which will be appreciated, at least, among American trade unionists.

During the war he was one of a group, then all too small, who in England and Continental Europe, stood against peace by negotiation, but who stood for the destruction of militarism and autocracy. I make bold here to record one of the declarations I made during the war—"I hate war and I would not want this war to last one hour longer than necessary to attain democratic objectives and yet I would not end it one day before those objectives had been permanently achieved." Even though Mr. Appleton may not have used the words I employed, yet I know that was his position.

He was uncompromising in his opposition to the Stockholm conference project, the danger of which at that time was fully appreciated by only a small group in our own country but the defeat of which was a mighty factor in the conflict then raging.

Every effort of this character to intrigue the allied nations found a strong and unfaltering opponent in Mr. Appleton and those who worked with him.

It is to be hoped that Mr. Appleton will write more books. His long experience and his deep understanding should be made available to those whose opportunities have been fewer but whose needs are ever present.

SAMUEL GOMPERS.

AUTHOR'S PREFACE

To know the nature and extent of desire and the foundations upon which attempts to attain desire may be based, should be the aim of all men in all communities. Failure on the part of the great majority to analyse desire and circumstances and possibility, accentuates the outward expressions of unrest and facilitates the spread of dangerous propaganda. The tendency to generalize, apart from effective analysis, often involves the endorsement by the masses of proposals which, in spite of superficial attractiveness, too frequently tend to exhaust national strength and national resources.

The demand for maintenance, irrespective of remunerative return; the proposal for levies which involved the dissipation of capital and the consequent limitation of industrial enterprises; the demand for legislation which continually increases bureaucratic control and administrative costs, would have secured but few supporters had every proposal been stripped of political bias and subterfuge and accorded full consideration by a majority of the people.

Broadly speaking, we all think we know what it is we want. The term most frequently used to express the common desire is "better conditions."

Here we all agree. Everybody desires better conditions. Where we part company is in the matter of definition and method.

Obviously, it is not sufficient to know only what we want. To achieve real success we must also know where we are in respect of bases and possibility. Desire that is unattainable should be eliminated if mental and moral health is to be maintained. The acceptance of this conclusion has led me at all times to apply the interrogative method to the problems arising out of my work and my associations with men. It has been my practice to reduce to writing my questions, addressed to myself, and to answer them in the light of what knowledge I possessed of history and natural law.

The most convenient form of presenting these analyses of the problems which faced me and which affected the lives of all with whom I directly or indirectly came in contact, and which affected also the stability of the State, appeared to be that of a book containing a series of chapters, each dealing with one topic and each aiming at the exposure of fallacy and the elucidation of fact. The success of the effort will be determined by the extent to which readers of the chapters are assisted in deciding within their own minds what they really do desire and whether the attainment of these desires is possible through efforts, or at prices which the individual or the community is willing to make or pay.

The mechanical work connected with the preparation of any book involves both time and anxiety.

Most of this mechanical work has been taken off my hands, and I desire to express sincerest thanks to Dorothy Golding for relieving me of tasks that would have taken more time than it would have been possible for me to give.

W. A. Appleton.

June, 1921.

INTRODUCTORY NOTE

There is no man in the great Trade Union movement better equipped for the rôle of adviser than Mr. W. A. Appleton. For many years he has been at the head of one of the largest combinations of labour in the world and has had unique opportunities to view Trade Union conditions in almost every part of the globe. It is therefore as much a performance of a public duty as a private inclination that he enters the field of literature to either admonish or instruct the people to whom he belongs.

In times of stress we are apt to do strange things, and adopt stranger remedies in the sometimes vain hope of overcoming our difficulties. The Trade Union movement has had its period of stress and strange remedies, but its recent afflictions have produced a finer crop of quacks than usual, and it is the more necessary that this great instrument for human betterment and industrial regeneration should begin to consult the less showy but more sober of its professors.

Most people will only read those things which please; there are, however, a fair number left who prefer truth and facts to any number of pleasant, attractive theories. This book is written primarily for the latter, but even the former will find it to their advantage to read it, not once, but twice.

We may not agree with all the conclusions with entire accord, but a perusal will do a great deal to strengthen the faith of those who believe that if it can be kept on straight and sensible lines, the Trade Union movement cannot be diminished by any temporary reverses such as have been recently inflicted upon it.

John Ward
(Lt.-Col.), C.B., C.M.G., J.P., M.P.
Hetman, Don Cossacks.

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WHAT WE WANT
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CHAPTER I

PHRASES

THE effect of phrases upon British mentality undoubtedly adds point to the query of those foreigners who ask whether Britons ever think, and if so, whether they ever carry their thoughts to logical conclusions.

Some years ago a great political party came into power on the "three acres and a cow" cry. A little later, because we were told that our beer would cost us more, another political party was driven out of power. During the last few years, and especially during and immediately after the war, Britain has suffered, and continues to suffer, through the national tendency to accept the phrase and to follow the phrase-maker irrespective of logic or physical possibility. We might perhaps despair if our American friends did not demonstrate their kinship by imitating that fashion in faith which obsesses us. It is comforting to realise that others besides the British surrender to the glamour of the epigram or the neatly turned phrase.

President Wilson's fourteen points were seized upon with avidity. They crystallised the subconscious, and often disconnected, meanderings of men's minds, and at once removed, or at least greatly reduced, the necessity for independent and definite thinking.

"Secret diplomacy" and "self-determination" fastened, limpet-like, upon the public imagination. Some of the greatest adepts at secret diplomacy, men who practise it daily, men who rejoice in the power that it gives them, at once began to declaim against it; sometimes because they honestly desired to get rid of it, but mostly because they realised that declaiming against it distracted observation and left them freer to pursue it. Very few of the general public stopped to ask whether it was possible, or even desirable, to manipulate affairs of State, matters of international relationship, programmes of trade unions and other equally delicate operations, in the light of the publicity accorded by modern journalism. It was hastily assumed that secret diplomacy was the cause of the war!—abolish secret diplomacy, and, as a matter of course, war might be expected to be abolished also.

The wise man, who is not so easily swayed by every wind that blows across Areopagus or Richmond Hill, might shake his head and still cling to the idea of the quiet and tentative approach when complicated policies had to be discussed, but his wisdom was discredited. The masses were for Mr. Wilson's way. There was to be no more secret diplomacy, and even the transactions of the Supreme Council, sitting in inquest upon the world's affairs, were to be published, and an era of frank truth was to be inaugurated. To-day the wise men do not shake their heads. They only smile cynically.

"Self-determination" was seriously discussed, not merely as a new conception, but almost as a divinely inspired one. The phrase was grandiloquently discussed and supported from a thousand platforms, and the vision of each man and each group, each nation and each continent, deciding, without let or restraint, his or its future, grew until, to some men, it appeared like a shining reality.

Again, the wise men doubted and wondered whether it would be possible for every man's rights, or every nation's rights, to be governed by the man himself or by the nation. They saw the existence of conflicting rights, and realised that these could not be determined by the individual or the nation, but must be regulated by the consent that follows upon good will, and by the circumstances which affect peoples and nations and times.

It was said that the whole Peace Treaty would be based upon this principle of self-determination. It is doubtful whether any man who was closely concerned with the determining or drafting of the Peace Treaty believed in his heart then, or will even argue to-day, that the principle of self-determination was, or could be, undeviatingly adhered to.

Once up against the facts, the wit of the best and the cleverest failed to produce any formula that would give effect to the declarations. There has not been self-determination. It is doubtful even whether there has been a reasonably strict adherence to the principle of right. As in the past, so now and always, might has been used to interpret right, and, as a consequence, there are Germans, millions of them, handed over to Czecho-Slovakia, and there are Hungarians, over a million of them, handed over to Rumania; and there are Austrians and Slavs handed over to Italy. The attempts to determine ethnologically instead of economically, have already disturbed industrial conditions in many countries and have involved many peoples in needless suffering.

Perhaps all these things were inevitable, but, if they were so, it discredits the phrasemonger, and illuminates the folly of those who permit themselves to be governed by phrases.

Nothing, indeed, can have been more embarrassing to some political groups than the formulæ adopted in the early days of the war. The anxiety to discover partisan battle-cries led them into difficulties which they cannot easily overcome.

There was the phrase, "freedom of the seas." The seas were free to every nation in the days that preceded the war. The ports of Britain were open to the ships from every country. The ports of every country were only open on terms to the merchandise of Britain. If those who raise the cry of "freedom of the seas" mean that they are prepared to fight all those nations that close their ports against Great Britain, they are likely to have a busy time.

Unfortunately, freedom of the seas was differently interpreted by German statesmen, for, speaking in New York in 1915, Herr Dernberg declared that by freedom of the seas he meant that "there should be no hostile operations outside the three-mile limit." This would have been magnificent for Germany, for she would have been able to dispose troops anywhere within the radii of the Central Empires, while Britain herself would not have been able to move troops for the assistance of Belgium or France, or even to take them to her own colonies, without offering the British friends of Germany opportunities for hostile criticism and condemnation.

Had Britain been pledged to this kind of freedom in 1914 she would to-day be enduring the humiliation and horror of military defeat by Germany.

"No annexations, and no indemnities," has formed the basis of many speeches on political platforms, but what on earth does it really mean? Is it retrospective, present or prospective? Does it apply to Alsace-Lorraine, or to Bosnia or Herzegovina? Does it mean, in fact, what it states? If it does, Germany might be called upon to disgorge what she has filched in the way of indemnities from Belgium, from Serbia, from Russia, from Rumania, and from every territory she has invaded. It would mean also that she gave up all territory to which she has made claim since 1866, and over which she sought to exercise political and economic power.

Did the formulists mean that Germany was to disgorge and repay? If she failed to do this, did they intend to fight, or would they have been content with drafting an expostulatory resolution and sending this round to the communist branches for adoption?

By war, and by the threat of war, Germany defeated and plundered Austria in 1866 and France in 1870, and Denmark in 1884, when she took Schleswig-Holstein and gave herself the opportunity to construct the Kiel Canal. In 1897, by threat of war, she compelled Japan to give up the things Japan had secured for herself as the result of military enterprises against China.

Later on, similar threats compelled France to get rid of a popular and able Foreign Minister—Monsieur Delcassé. The history of Prussia has been an interesting record of war and plunder, and it is inconceivable that she should relinquish either cash or territory except under military compulsion. Germany believed in the survival of the fittest; she believed that the fittest were the fighters. She also believed that the end justified the means, and a peace which might have left her in possession of the territories or the money, or the property, or the advantages she temporarily secured as the result of this war, would have been a victory for her and an encouragement to further aggression.

Our phrasemongers have yet to learn that war is a gamble in which the loser pays. Germany has been a confirmed and ruthless military malefactor.

The world, for humanity's sake, had to impose deterrent penalties. Unless Germany was made to understand that war did not necessarily pay, trouble was certain to arise the moment her man-power and her resources were restored to the position in which she would consider she had again a fighting chance. "No annexations and no indemnities" meant the shortest road to this—for Germany—desirable position.

In Britain we were told that there was to be a "new heaven and a new earth." With the Briton's capacity for generalisation we naturally came to the conclusion that Britain was to be the premier and outstanding example of what a new heaven and a new earth ought to be. Perhaps, of all the phrases, none sank so deeply into the hearts of the British as this one. To start with, there are many of us who believe that already Britain is the best and the most beautiful of all lands; that its men are the most honest and the most enterprising; that its women are the most beautiful and the most faithful. We are, consequently, predisposed to accept any theory or any contention which places upon *our* shoulders and within *our* capacity, the duty of introducing the millennium.

Unhappily, those who promised so much gave colour to the assumption that all could be achieved by legislative action, and they have kept Parliament wandering through a maze of measures, all aiming at the ideal, but all falling short because men and women failed to understand that the ideal must be based upon the practical.

It was too much to expect that every man and woman throughout the United Kingdom would sit down seriously and carry their exploration of these euphonious phrases to their logical conclusions. It is not too much to expect, however, that the men who sit in Parliament, together with the men who claim to lead communal thought, should themselves essay this task; and, after careful analysis and comparison with historic similarities, truthfully and honestly set forth their conclusions concerning rights and duties and possibilities.

Not until men get away from the folly of determining their conduct by phrases; not until they are willing to search for the truth as it concerns themselves and their surroundings, will there be any possibility of effectively administering the affairs of mankind or of securing even an approximation to that new heaven and that new earth which have been so eloquently pictured and which are so ardently desired.

CHAPTER II

THE RELATIONS OF LABOUR AND CAPITAL

NO student of human affairs can regard with equanimity the existing trouble between Capital and Labour; nor can any student, bearing all the facts in mind, regard the present attitude of the worker without some measure of understanding and sympathy.

For centuries the owners of capital have, unconsciously and consciously, acted upon the tenets of what is known as the Manchester school of economics. They have applied these tenets to the human as well as to the material factors in industry, and they can hardly complain if the human, given only a limited measure of enlightenment, applies in unlimited fashion the tenets of an economic school which is diametrically opposed to the Manchester one.

By treating the human factor as they treated the material one—by buying labour in the cheapest market and selling the produce of that labour in the dearest market, and afterwards pocketing the whole of the profit—the owners of capital bred in the workers an atmosphere of serious hostility to present forms of industry. This hostility is accentuated by the belief that the owners of capital frequently depreciate the market that supplies human effort, in the same way that they depreciate the market which supplies other commodities. However untrue it may be of modern conditions, and especially post-war conditions, this feeling is finding stronger expression to-day than in other periods of industrial existence of which men have ready cognisance.

In Britain, for a hundred years, every effort the workman made to improve his conditions, his working hours, his wages, or the social conditions under which he lived, was scouted, ridiculed, or savagely repressed. His present resentment is intensified by the fact that to-day even the capitalist admits that the desire of the workman for better wages and conditions was right. The labour politician has taught the workman to meet this admission by the historical fact that the capitalist has called to his aid political resources and national resources in the shape of the police and military, in order to prevent the workmen from obtaining better conditions.

In dealing with the modern relations of labour to the owners of capital, we have to remember, in explanation of some facts and in partial extenuation of others, that the owner of capital has mismanipulated the lives of the workers until their hearts have become ready receptacles for the dogma of the doctrinaire and the extremist. It is difficult for those who have never passed through the fires to realise the agony the fires inflict. The men or women whose lives have always fallen in pleasant places can hardly hope to understand the point of view of the men or women whose lives, from birth to death, epitomised tragedy. The lack of opportunity for the poor begins before birth, and continues in most cases until death. The expectant mother knows that her child will lack some physical or mental quality because she has worked too much and eaten too little prior to the child's arrival, while the elderly man knows that the only way out for him is through the Valley of the Shadow.

Lancashire of to-day suffers from the inhumanities perpetrated upon the little children of yesterday; not by the mothers and fathers, but by the owners of capital who insisted that very young child labour was essential to industrial success.

Just before the war, when the Ulster weavers applied for an increase in wages, one of them declared that he had had eight children, six of whom had died because he had been unable, though fully employed, to provide them with the food necessary to maintain life. To the workman the causes of these things are obscure, but the fact of them is more certain than that Christ died.

In Berlin, in June, 1914, a German socialist, extremely clever, high up in the councils of his party, and with an international experience, told me that if I could live and see Germany after seven generations of industrialism, I should discover nothing like the physical and mental deterioration that to-day affects some of the industrial centres of Great Britain. "I am satisfied," he said, "that apart from what Social Democracy in Germany may do, the

German Government itself will set a higher value upon flesh and blood and mind than you appear to have set in Britain." These words were bitter; the more bitter because I felt that in the main they were justified.

I have known workmen penalised by boycott for six months at a stretch, whose only crime was reckoning up the piecework prices of men who were themselves incapable of working out the figures. Even within the last fifteen years innumerable disputes have arisen in consequence of the attitude that the owner of capital, as represented by the employer, has taken towards the worker and the organisations which he has built up. Half the industrial disputes that took place before the war arose from the employers' stupid and short-sighted refusal to discuss questions affecting wages and conditions of employment with the duly accredited representatives of the Trade Unions. It was part of the employers' considered policy to undermine the influence of these men, to misrepresent their actions,and to encourage rebellion against them in the Unions which they represented.

Those who sow the wind must expect to reap the whirlwind.

These references to conditions, it will be said, are commonplaces, and are not true of the present day. Possibly they are less true, but the suspicion they engendered is profoundly influencing Labour thoughts and attitudes. That is why the commonplaces are stated so fully.

They show that the hostility of the workman has some justification, and emphasise the difficulties of removing the suspicion with which he regards the present attitude of even the best of employers. He realises that the war has broken down many barriers; that a common intercourse with danger and death has stripped employers and workmen of many misconceptions, and has brought the manhood of each into closer communion. He fears, however, that as the cause of the change becomes obscured by the passing of time, so the effect will diminish, and that attempts will more and more be made to reimpose the old irresponsible relationships.

If one says that the cost of the change has been too tremendous for the effect to easily diminish, the workman asks questions which are barbed with the experiences of the past. Centuries have been occupied in breeding the distrust which exists, and only a gigantic effort on the part of the employer and on the part of that other class which neither employs nor is employed in the ordinary acceptance of the term, can convince the worker that the change of heart is real and permanent, and that, henceforth, there shall be at least genuine attempts to give to each man and to each woman his or her honest dues. The new spirit which such a conviction would beget would be favourable to a common-sense and gradual development of all the relations existing between capital and labour.

A new spirit is necessary, for, while the owner of capital is still attached to the spirit of the Manchester school, Labour has, rather blindly and without analysis, accepted many of the ideas of Karl Marx, as interpreted by his latter-day adherents. The employer has translated capital into terms of land, buildings, machinery and cash. The workman has accepted the employer's translation, with the qualification that, as all these things represented natural resources upon which Labour had operated, they belonged to Labour in the mass rather than to the few people who had successfully appropriated them.

To one who studies rather than dogmatises, both sides appear to have missed something; because neither side seems to have considered mental or spiritual values.

It is possible to have a superabundance of national resources and of labour, as in Russia, and to exploit them badly, or not to exploit them at all. Land and labour—to use familiar terms and to interpret them in the familiar sense—must be of indifferent value, apart from intelligent direction and co-ordination. If both sides could realise that success in industrial operations depended upon the combination of materials, mentalities and muscle, it would be possible to approach the future with greater degrees of confidence.

In what form will the new spirit, when it arrives, manifest itself, and what are the dangers which have to be met pending its coming?

At the moment there are many groups of reformers, and each advocates its own panacea. One would place industry and commerce under the control of Trade Guilds; another proposes to institute a system of direct management of industry and commerce by the workers engaged in the workshops; another would place all these matters in the hands of the State; a fourth aims only at anarchy, because it believes that chaos must inevitably precede order, and that the greater the chaos the more perfect the resultant system will be. A fifth would leave matters in principle as at present, but would insist upon the common observance of what may be termed the social and industrial humanities.

Of those who advocate the claims of Trade Guilds, it may be said that they build upon a discredited foundation. The Trade Guild has already had its day. It died of super-exclusiveness, and its prototype can hardly escape a similar disease. As it is the landless man who attacks most virulently landowners and landownership, so it was the excluded craftsman who attacked and encompassed the downfall of the old Trade Guilds. Unless the advocates of resuscitation can show that the modern form of the Guild will include everyone engaged in, or attached to, the occupation, history will repeat itself.

What is known as workshop control has many advocates, but a departure on these lines can hardly be regarded as a course likely to secure the best results. This demand is of political rather than industrial origin. It involves the immediate and non-compensatory appropriation of wealth and capital. It assumes a knowledge, not merely of industrial processes, but of commercial enterprise and international exchanges.

I have met some workmen who hold these views. They are admirable workmen. They are intelligent, and some of them possess extensive knowledge; but I cannot say that I know any advocate of this system who is at once an admirable workman, an intelligent person, and the possessor of an effective knowledge or understanding of the international character of trade and who possesses also that experience which is necessary to make international trade a success. Much of the trouble of those who advocate this form of control arises from the mistaken notion that trade is mainly an internal and national matter; when, as a matter of fact, much of the wealth that Britain enjoys, and much of the capital she has stored up, has been derived from commerce and overseas trade. Into some of this trade no British-made goods ever entered.

Some of the men I know are intelligent enough, given time, to deal with these problems in a satisfactory manner; but events move very rapidly in these days, and the country which scraps the methods evolved from a thousand years of thinking and striving, and elects to depend upon untried processes and inexperienced men, will incur very dangerous risks.

Perhaps I fear the State more than I fear the inexperienced workman. The latter would suffer as a consequence of failure, and might be expected to learn by experience. The State would also suffer by failure, but the individuals responsible for failure would mostly escape suffering, continue to draw salaries and to qualify for pensions.

It was Mr. Gladstone who declared that it was the State's business to govern and not to trade. State interference involves political, as well as industrial, disadvantage. It is not merely that State trading costs more in cash; in practice it jeopardises more than it costs commercially.

The industrial past has had many unhappy phases. There have been bitter conflicts between Capital and Labour, but in Britain until recently there have been no revolutionary collisions between Labour and the State. If the State extends its activities, and does more than provide opportunities and hold an even balance as between the workers and the owners of capital, it increases its disagreements with both, so that, instead of strikes, it will become necessary for it to face the possibility, and perhaps the fact, of revolution.

Those who glibly advocate State control of enterprise should ponder this fact. Workmen are being generally advised to commit the mistake of assuming that what the State has done in abnormal circumstances, and on credit, the State can do in normal circumstances when credit has to be liquidated by cash or goods.

It is astonishing to find how few people there are who realise that what the State was doing during the war was merely to purchase, within its own borders, articles that had no reproductive value whatever, and for which it paid a price altogether disproportionate to the work value involved. In other words, the State was purchasing fireworks and paying for them with paper—paper which had no value outside Britain unless it was backed by that very capital which the syndicalist now seeks to dissipate. War-time prosperity was indeed fictitious, but the average man and woman did not realise this, and so was started a chain of ideas concerning post-war possibilities that well might, through undue interference by the State, ultimately result in revolution and the disintegration of that great Commonwealth which includes, with Britain, Australia, Canada, South Africa and India, and a host of kindred communities.

Only the fool desires to produce chaos in the hope that order will involve. Anarchy—the elimination of law and order and restraint—whether in industry or in politics, or in commerce, carries with it disaster. All nature bows to law and cries out against its infraction. Anarchy may be dismissed as a reversion to the ineffective elemental and as the least useful of all the theories advanced by the advocates of revolutionary change.

The case against revolution is admirably epitomised in the words of the Management Committee of the General Federation of Trade Unions.

"It is notorious," says the Committee, all representative Trade Unionists, "that some men live only to fan the flame of discontent. They have no scruples. They call themselves revolutionaries, and the best of them frankly aim at the creation of a social state which has ceased to know either inequalities or pain. Their mental outlook prevents them seeing that disastrous results may follow beneficent intentions if these intentions ignore economic laws and social rights."

It is argued that revolutions are necessary to coerce and displace governments. Unfortunately, revolutionary action cannot be confined to the punishment of governments. It is the people who give blood and suffer material loss; and whatever is lost, the people must replace by renewed and greater industrial effort. In an Empire constituted as is the British Empire, that replacement must be tremendous, for the trouble cannot be confined to geographical or ethnological limits.

Prior to the war there were already in existence groups which aimed at a transformation of the social and industrial order. In the main, these groups sought to move by evolutionary and constitutional means, and they have undoubtedly done much to awaken the social conscience. After the war other bodies sprang into prominence, and by the speciousness of their early appeals secured the support of the less thoughtful. It soon became evident that the object of these associations was to assist the alien and the enemy rather than to help their own nation, or even to do their best for democracy.

These associations included ill-educated workers, disappointed politicians, men and women of generous sympathies and comfortable fortunes, and dilettanti from the universities. They derived whatever motive power they possessed from men narrow in their outlook, honest perhaps in their convictions, but not always happy in their methods. They were helped by the vacillations and weakness of those who occupied the seats of the mighty without adequately filling them.

As the time grew, lack of success led to these very mixed organisations adopting less and less scrupulous methods, and to-day it is not unfair to say that they very freely practise the chicanery they themselves so eloquently denounce. They reason little from facts or in the abstract, but concentrate upon the abuse of the individual.

Even to-day the success of their efforts is very limited. While men who enjoy piquancy lend an ear to their utterances, they give small credence to their arguments. It requires more than declamation to force off the constitutional path a people whose genius is of the evolutionary and constructional type. Lack of initial success has led these revolutionaries to magnify existing evils and to place every obstacle in the way of those who seek to relieve existing difficulties, or who seek to develop understandings between employers and workmen.

To achieve full success they must prevent any arrangements which will leave the responsible parties joint opportunities of attacking the problems that confront them both. One who is particularly active in this separatist work once said: "Oh, yes, the aims of those who seek to promote understandings are admirable for existing society, and for this generation of men; but we seek to revolutionise society, and are acting for the ultimate, rather than for the present."

It was impossible to convince this man, as it is impossible to convince others, that the ultimate grows out of the present, and that every step which ameliorates the conditions of to-day improves the chances of better conditions to-morrow. It is equally impossible to make such understand that the wisest of us are incapable of foreshadowing the circumstances which will affect the lives of those who live a hundred years hence, or the remedies that may be necessary for the social diseases which will exist amongst our great-grandchildren. "Sufficient unto the day is the evil thereof" is not one of their slogans.

The proverb which declares that it is unwise to change horses when crossing a stream is full of wisdom that might advisedly be applied at the present moment. Those who believe this proverb can, for the moment, discard the panaceas that involve revolutionary changes. It seems preferable to wrestle with the evils that are, rather than to take chances with evils that cannot be apprehended or estimated. It may be that some day the present social and industrial system will give place to a better one; but neither evolution nor revolution suggests a possibility of securing perfection in one generation. This being the case, it seems both desirable and profitable that we move from existing conditions step by step, and with due regard for these consequences which are possible, though not now unforeseeable.

It may be desirable to bring about catastrophe for the sake of propaganda; it may be very altruistic and very noble to think only of the future generations, but I cannot escape the conclusion that my own duty lies with the people who live to-day.

Believing this, it is inevitable that I should look to the improvement of the present system, rather than to the institution of some new and untried system, for the social improvements and advantages all decent people believe to be necessary.

The first improvement that one must demand from the existing system is the greater stabilisation of employment. The most demoralising and enervating of all fear is that of unemployment and the miseries that follow. Many men face hardship with equanimity, but no decent man faces idleness without terror. It is not merely the reduction of food supplies, the lack of small luxuries, and the growth of debt; it is the development of the spirit of dependence, and ultimately of the spirit of inefficiency and ineffectivity. Those who have had opportunities of watching men through long periods of unemployment will understand how certainly, and with what accelerated ratio, moral and physical inefficiency develops. The man who has been out of work a week, or even a month, is keen to secure a new berth; but with succeeding months his keenness too frequently disappears. Misfortune gave me personal opportunities for self-analysis, and my conclusions in this direction are strengthened by other people's experiences.

It is not merely in the interests of individuals that employment should be better stabilised. It is in the interests of the State, because Labour is, in itself, Capital, and to waste labour is to waste national resources. Moral as well as economic considerations demand that where the conditions of trade are such that it is impossible to keep staffs fully employed for the normal day, arrangements should be made, wherever possible, to reduce the hours of employment instead of reducing the number of employees. There should be, trade union regulations notwithstanding, improved facilities for the interchange of labour between one industry and another. It is inevitable, if unpleasant, that reduced production should involve lower standards of living. Only the disingenuous politician would dispute a fact so obvious.

The next thing to demand is a wage that will represent fair payment for the effort made and a fair share of the results achieved. The effects of deviation from fairness, either by employer or employee, disastrously disturb both relationships and trade. It is impracticable to lay down a law, universally applicable, that wages shall always be equal to food prices. That would be fixing wages without regard to the value of the article produced. But wages should be fixed so that, at the worst, they would afford maintenance, and at other times not merely maintenance, but comfort and a promise of ultimate safety to those who practise thrift. To secure this, both employer and employed must be prepared to consider such adjustments of wages, both up and down, as may be necessary for the ultimate safety and prosperity of industry.

The maximum value can never be obtained from labour, nor can the maximum benefit accrue to labour, while there remain any restrictions on the use of machinery and the exercise of reasonable effort and intelligence. The advocates of "ca' canny" overlook the fact that "ca' canny" increases the cost of production, and enhances the price to the consumer who, in 95 per cent. of cases, is some fellow-workman or workwoman. "Ca' canny" is the least successful way of remedying social and industrial evils.

Homes, rather than institutes, are needed if life is to be enjoyed, and if the State is to be an organisation which men will love and for which they will fight, capital must concern itself with the provision of homes. If it does this it will be able to reduce its contributions to institutions. One tires of the nostrums offered to mothers, to invalids, to the broken in the wars, to the feeble in health, because one knows that most of these would be unnecessary if the homes of the people were improved. I shudder when I hear of the efforts made to establish crèches and compare them with the efforts made to establish homes in which parents and children might enjoy the richest of pleasures—

that of each other's company and loving collaboration. I never forget the dictum of the famous surgeon who declared that the best hospital was the home, and the best nurse the wife or mother.

The owners of capital and the workers both agree, in principle, on all these points. It should not be too much to ask that they should join in mutual efforts to put these principles into practice; and that they should go even further, and set up mutual arrangements for the discussion of all differences that arise between them, and for the prevention of strikes about small and unimportant things.

I do not wish to eliminate the right to strike. That right is a national safeguard, and anyone who seeks to suppress it is an enemy of the State; but I do want to see all points of difference discussed intelligently between the people who are really concerned; that is, between the employers and the workmen—the word workmen including, in this connection, the duly accredited representatives of the workmen.

It is for this reason that I have always advocated the provision of voluntary machinery for the discussion of difficulties and the prevention of disputes. Sympathy and intelligence can solve most of the industrial difficulties with which we are beset, provided these qualities are exercised equally by employers and Trade Unionists of experience and responsibility.

CHAPTER III

TRADE UNIONISM

TRADE UNIONISM—the organisation for the betterment of wages, hours and working conditions, of persons engaged on similar materials, using similar tools or machines, and producing similar results or commodities—arose out of the miseries that men and women endured in the latter part of the eighteenth and the earlier part of the nineteenth century. It ceased to be unlawful in 1824, but its adherents were grievously, and illegally, punished for a considerable time after this date. Usually, as was the case with the labourers of Tolpuddle in Dorsetshire, old Statutes were resuscitated and desperately strained in order to prevent the growth of a movement which was regarded with the gravest apprehension both by employers and politicians. Savage indeed were some of the sentences passed upon men whose only offence was trying to secure such wages as would meet the primitive needs of the times. The sentence of seven years penal servitude passed upon the Dorsetshire labourers, a sentence which was publicly approved by Lord Melbourne, instead of destroying the movement advertised it, and laid the foundations for Trade Unionism as it was known twenty years ago.

This movement was in no sense revolutionary. None of the organisations then created denied the rights of property, neither did they assail the constitution, nor belittle their own country. Most of the leaders in those days were men of strong personality and great courage. They also understood the delicacy of the industrial machine, and they fully appreciated the folly of destroying confidence and balance. Critics have said of them that sometimes they were more than patient, and that they too often permitted the continuance of conditions which were inimical to the workers, and which ought to have been swept out of existence. In judging them, it is necessary always to remember their numerical weakness, the strength opposed to them, and to remember also that they were far more concerned with the ultimate benefit of the industry they were engaged in than are the men of to-day, who only see industry through political spectacles.

In the old days, there was little love of the strike for the strike's own sake; the existing forms of the lightning strike and the synchronised strike were unknown. If they had been proposed, they would most likely have been condemned as impracticable and as involving troubles greater than those they proposed to remedy. Fair notice and joint negotiation were invariably attempted, and industrial peace was the object.

This mental attitude, even in 1900, is exemplified in the rules of the General Federation of Trade

Unions. In the very first rule, it is stated to be one of the objects of the Federation:—

> "To *promote* Industrial Peace and by all amicable means such as Conciliation, Mediation, References, or by the establishment of Permanent Boards, to *prevent* Strikes or Lockouts between Employers and Workmen, or disputes between Trades or Organisations. Where differences do occur, to assist in their settlement by just and equitable methods."

These rules were adopted after a series of representative conferences, after the keenest discussion, and after the best minds of the Trade Union movement had spent months in elaborating what they believed to be the best basis for a general federation of all Trade Unions. It is interesting to remember that these rules received the endorsement of the Trades Union Congress, and that no one has yet suggested that there should be any alteration in the principle.

There is no escaping the desire of these pioneers of the movement to maintain stable trade relationships. At that time, there was no questioning of the workman's duty to earn the value of the wages he received. "A fair day's wages and a fair day's work" was the current aphorism. Men certainly hoped for better things, but they never hoped to obtain high wages and a high standard of living without a commensurately high standard of production. These were the days when men were trained to trades; when they were proud alike of their skill and of their capacity to produce. Then, they created for themselves opportunities for rational advancement. Now, the tendency is to wait, with some indifference, for opportunities to be created.

Had the employing classes of those days been as wise and as conciliatory as the workmen, the present confused, embittered, and dangerous situation might never have arisen. Unhappily, there was always hostility towards the trade unionist, and, from the beginning of the nineteenth century to fairly recent times, the men who accepted offices in the Trade Unions were, in many ways, penalised by the employers. In consequence of this, the steadier fellows, or those with dependents, very often evaded official responsibility. The various offices thus became the easy prey of men who held extreme views and who were always ready to accept opportunities of pushing them.

It is common, amongst men of a certain type, to belittle those older Unions and to sneer at the results they achieved. It is always advisable, however, to consider circumstances the moment one endeavours to measure results, and what is of equal importance is the necessity for endeavouring to measure the real value and permanency of results. If this is done, it will be seen that great indeed were the accomplishments of the men who believed that honourable adherence to contracts and intelligent promotion of industrial peace were consistent with the development of reasonable conditions. These older leaders secured the right to combine; they secured, by constitutional means, and with the aid of public opinion, the repeal of wickedly obnoxious laws, and they secured also the right to strike, even though they expressed a preference for more sensible methods of settling disputes.

There ought to be no questioning the workman's right to strike—to withhold his labour, either individually or collectively, when the conditions become too bad, the hours too long, or the wages too low. The abrogation of this right involves slavery. It is, however, necessary to differentiate between the strike against industrial oppression and the strike against the community.

The strikes of the last century involved the workers in misery and the capitalists in loss. They prejudiced trade by limiting output, but they often helped industry and commerce by forcing the use of machinery. By arresting production, they prejudiced fortunes, but they did not seriously imperil the State. That very many of them were justified is beyond question. If a record of all the strikes had been kept, together with one of causes and consequences, an impartial jury of to-day, selected from any class, would agree that in the circumstances of the times, the strike was often the only means of redressing the grievances in any given industry. Many strikes of recent years have been based upon different conceptions, and have aimed at achieving entirely different objectives.

Just as law crept in to regulate the relations of men in society, so the old trade unionism crept in to safeguard the hours of labour and the rewards of those who laboured. When reasoning failed, strikes sometimes followed, but only when reasoning failed. The old strikes were undertaken for the purpose of compelling capitalists to behave decently. The new strikes are, too often, undertaken for the purpose of destroying the capitalist form of industry, or of forcing upon a democratically elected government the will of a revolutionary minority. The future of industry and commerce receives little consideration from the extremist who engineers political strikes, because he assumes that, in the future, there will be no industries and no commerce as we know these things. For him, therefore, there is no need to take any care, or to maintain any sort of trade balance.

The immediate effects of these new conceptions vary. A general strike on the railways or in the building trades does not hurt the workers in these trades or their employers quite so much or so directly as similar action hurts the textile or engineering trades, or that section of the transport workers concerned in overseas trade, or even the miners who are engaged in mining coal for export trade. The first two can, and do, pass on the cost of changed conditions to the rest of their own people. Whether the cost of dislocations or advances are met by subsidies or increased fares, or increased rents, matters little; whatever the media, it is, in fact, their fellow workers of their own nationality, engaged in other occupations, who actually carry the burdens the non-exporting sections impose.

The work of these sections is performed in their own country, and is unaffected by foreign competition. The other trades must sell a very large proportion of all their production in other countries, and to people whose self-interest is greater than their altruism. Anything, therefore, which increases prices, reduces quality, and involves delay in delivery, reacts injuriously and dangerously. It is these reactions, much more than capitalism or over-production, which dislocate industry and precipitate unemployment.

The revolutionary politicians who, for the last fifteen years, have secured increasing ascendancy over Trade Unions and their policy, have no reason to concern themselves with Trade Unions, except as media of cash, power and advertisement. To them, Trade Unions offer the means of achieving political advancement. If these could be cut out of the Trade Union movement altogether; if Tory, Liberal, Socialist, Communist, and all the other brands could be relegated to their proper sphere, the real Trade Unionist might settle down to the study of the principles which underlie and govern trade, and through trade, employment. Then confidence might return and industry begin to acquire stability.

Let there be no mistake concerning my attitude towards the Parliamentary representation of Labour. If Parliamentary idealists aim at securing an aggregation representative of interests, rather than an assembly charged with the furtherance of the general good, then the presence of Labour is an absolute necessity. But it is equally necessary to keep the Trade Union and the political movements distinct and autonomous. The two movements have some things in common, but they progress by different routes and approach problems of grave importance from entirely different points of view. It would be stupid to disregard the possibilities that arise from collaboration, but it would be equally stupid to ignore the fundamental differences that exist, or for either to seek to absorb the other. Further than this, a political Labour Party may feel justification for subordinating national interests to international ones, but the Trade Union movement might consider itself unable to experiment in altruisms of this kind.

Preferring strike to revolution, and being anxious that the Government should incur no responsibility for revolution by interfering unduly in the differences that arise between employers and employed, I am naturally anxious to secure the best form of organisation for promoting and conducting strikes where these become necessary. Such an organisation should be capable, too, of preventing strikes, because it is intelligent enough to anticipate events, and powerful enough to negotiate on equal terms with any employer or association of employers.

Two forms of Trade Unionism find adherents in this country; the industrial, and the craft. Industrial unionism makes *place* of occupation the basis of organisation rather than *character* of occupation. In other words, it is where a man works, and not what he does, that is to determine his union, if industrial unionism dominates. Craft unionism, on the other hand, follows tradition, and aims at binding together all who, by similar means, produce similar results.

In deciding which form of organisation is best, it is necessary to have regard to the psychological characteristics of the people, and to the standards of skill and intelligence which obtain in the areas the organisation is to cover. In Britain, where the people are inherently individualists, and where the standard of skill and intelligence is high, where also the desire for autonomous self-government amounts almost to passion, the craft union offers that form of organisation most likely to succeed, and it is in the craft union and its logical development that one expects to find the machine most suitable for the workman's industrial needs.

It is difficult to imagine any real or ultimate benefit resulting from any industrial system which compels craftsmen of various kinds to bury their craft individuality. Craft organisation at once promotes pride in skill and capacity, and involves sympathy and the sense of mutuality amongst the men who are performing the same kind of work. The craft union elects men to its executive who understand the nature and the possibilities of the businesses they have to deal with, and who are usually capable of negotiating technical agreements with individual employers or employers' associations.

It would be foolish to suggest that the craft union has reached its highest form of development. With the increasing modifications in methods of production, and the consequent approximation of skills, it is necessary that the craft unions should take their position into serious consideration, and evolve, as a basic contribution for strike and lock-out purposes, a business-like system of transfers, where men pass from one phase of industry to another, and an intelligent method of amalgamation where the conditions in related trades make amalgamation possible. If this programme were carried out it would result in a smaller number of unions in related trades, but the full benefit would not follow unless these unions or amalgamations of unions were themselves centrally federated. The federation to which the unions could affiliate should be representative of all unions, and should possess departments for educational work, for information and for finance. It should also concern itself with the study of industrial diseases, and the collation of statistics concerning trade, health, unemployment, and mortality.

The Trade Union of the future ought to have at its service officials who possess a scientific rather than a dogmatic knowledge of industrial economics, commercial geography, and international exchange. They must have sources of information which the ordinary Trade Union member will regard as untainted and which will enable them to strike or wait—whichever is the wiser policy.

The ordinary principles of insurance must be adopted by the Trade Union movement if it is to achieve the maximum of success. The present haphazard method of fixing contributions and benefits without regard to their actuarial relationship must be discarded.

All these things the Trade Union can do and have without merging its identity in organisations differently constituted and having different objectives, and without sacrificing its autonomy.

Here lies the great, the immediate, task of the Trade Unionist—the consolidation of the real Trade Union movement. Let it decline groupings which jeopardise its existence and places its members and its funds under the control and at the service of men who are not in it, and whose aims are foreign to it.

To-day it is servant where it ought to be master. Its rehabilitation and its salvation lie in freedom from control by other organisations, in the use of its funds for industrial instead of political purposes, in the logical development of the craft ideal, in the amalgamation of all similar trades, and in the federation of all amalgamations.

The fight to recover freedom will be bitter, for those who have invaded the movement will not easily be driven out. If, however, the straight men who are Trade Unionists first and politicians afterwards, will put their hearts into the work, success is assured. A mass of steady, if undemonstrative, support is sure to come from people whose conduct in recent crises has shown how great is the desire for constitutional effort and development. The people are awakening, and as they understand themselves and more clearly understand the facts that govern trade and employment, they will demand a form of organisation which cares more for trade conservation than trade destruction.

The growth of Trade Unions has been extraordinary. To-day there are more members of the union than the country had inhabitants in 1750. Not all who enroll apprehend or approve the principles of Trade Unionism. Many are members because they are compelled to be. They may be expected to go out as lightly as they came in. The spell of industrial adversity which appears to be inevitable will try them and find many wanting. How serious the defection may be depends upon the period and the extent of the industrial stagnation which exists.

I, for one, do not for one moment imagine that these defections will destroy Trade Unionism, but I do expect them to compel reform and a return to the principles upon which the movement was originally founded.

Reformed Trade Unionism will, I believe, readily accept the statement that the whole is greater than the part; that the interests of all the people must come before the interests of any group or section. It will discountenance strikes which elevate any one section or trade or any particular occupation at the expense of others, and its officials will read trade barometers more skilfully than the bureaucrats of Whitehall.

Enlightened by its experiences, it will base its future enterprises upon the certain knowledge that Trade Unionism is subsidiary to trade, and that those who needlessly interfere with the steady operation and development of trade are the worst enemies of the Trade Unionist. The movement may be expected to bury the Red Flag, and resuscitate the old formula of "neither religion nor politics." It will enlarge its outlook until this involves consideration of the whole community, and it will, if it realises the hopes of its well-wishers, come back, after the suffering and loss and disillusionment of these latter days, to that conception of Trade Unionism set forth in the first rule of the General Federation of Trade Unions.

CHAPTER IV

PERTINENT INTERROGATIONS

OUGHT Trade Unions to support strikes when strikes have, as a political objective, the subversion of existing forms of Government?

In such strikes, ought all Trade Unions to support the section selected for the political experiment, or should they think the matter out and do what seems right in the interest of the whole people?

Can class be defined or delimitated, and is class more important than the common well-being?

Can Trade Unions survive a political cataclysm, and, even if they can, are they of more actual importance than the whole country?

Should Trade Unions remain silent and inactive when they believe that vital and world-reaching mistakes are being made?

Does class loyalty involve quiet acquiescence in class suicide? Can democracy be constructive or maintain authority?

These are some of the questions to be answered by organised Trade Unionism during the next few years, if the tendencies of Trade Unions are to be defined and unified.

If political change of the kind adumbrated by the men who formed the Soviet Council at Leeds in

1917, and advocated in unqualified terms by their disciples, is really desirable and necessary, would it not be better to take a plebiscite of the whole of the people than to permit a minority to force events?

In the present state of the franchise it should be possible, with little trouble and a comparatively small cost, to obtain a decision, say, on the following question:

> Are you prepared to supersede the existing form of democratic Government, and replace it by a Government consisting of an autocracy, either self-appointed or appointed by any one section of those who compose the nation?

Whichever way the answer went, I, for one, should be prepared to accept the decision; only reserving to myself the right to seek some other country if this country decided against the continuance of democratic institutions. Is it conceivable, however, that the majority of Trade Unionists can think of supporting action which, having political objectives, must lead to revolution?

There is no doubt as to the intentions of some men. They have too little reflective capacity or discretion to keep their intentions from the public view; and they have talked of revolution with no more sense of responsibility than would be required if they were considering the disposal of a rotten sack of potatoes. They glibly repeat the phrases borrowed from other times and other men, and resent the suggestion that revolution which aims at overthrowing existing forms of society and systems of Government must involve bloodshed. They will not believe that the exceptions to this rule are insignificant, and do not affect the main conclusion, or that history emphatically emphasises the puerility of those who advocate revolutions and say they do not want bloodshed. These revolutionaries know—or they ought to know—that the moment constitutional methods are superseded by forceful assumptions of new national authority, and by forceful appropriations of property, bloodshed becomes inevitable.

There are, from my own point of view, circumstances in which it might be not only permissible, but obligatory, to use all means of achieving a political objective.

If a king, or a proletarian assumed autocratic authority over the lives, the morals, and the wealth of a State, and exercised his authority for oppression or his own sole pleasure, no man of courage would hesitate over revolution. But, and the but is an important one, if revolution aimed at replacing social and political democracy by personal or class autocracy, the favourable interposition of the Trade Union movement would be an act of madness.

Britain already enjoys social and political democracy, and she has made some expensive experiments in State democracy. There is nothing that can so surely prevent the continuance of those experiments as a revolution involving bloodshed and a violent change of masters.

Change is necessary. All life is an illustrative example of change; but in politics and in an enlightened community, change should come by consent, and not by force. Those who suggest change by violence may aim blows at the Government, but the blows will surely fall upon the people. It would be better if we adopted the simple expedient of bringing from Russia all those who are tired of revolution, and sending to Russia all those who want to experiment in revolution. By this means we might make all the discontents contented.

In strikes having a political objective, should all Trade Unionists jeopardise their industry to support the experimenting section? The answer to this question seems to lie in that abused platform platitude: "The greatest good for the greatest number."

If this answer is given, one may expect the extremist to say that he is concerned only with the ultimate good of the greatest number, and prefers to achieve this by force instead of reason. But none of us can determine the ultimate good or bad. We can only take such steps as fit our own times, and trust to Providence and the intelligence of our children and our children's children for the ultimate good. Trade Unions might survive political cataclysm—such, for instance, as a general strike—but not *qua* Trade Unions. What they might become after such an event is suggested by the standing they have enjoyed under the Soviets in Russia.

Can class be defined or delimitated? In some countries it might be possible to indicate lines of demarcation between classes; but in this country they are so diffuse, and the possibilities of transition are so great, that lines drawn to-day would be useless to-morrow. There is the danger, too, that any attempt artificially to separate class from class, would destroy initiative and invite social disaster. Many profound lessons are taught by the common things of life, and even a superficial study of natural law will give pause to those who wish, by violence, to reach arbitrary demarcations of class. For myself, I only know two classes. The class that tries to do things for itself, and the class that suffers things to be done for it.

Ought Trade Unionists to keep silence when they believe that mistakes are being made, or that their movement is being used, not for the benefit of their members, but in order to advance the aims of political dreamers and schemers?

Every man must have this out with his own conscience; but the majority, and especially those who have been frequently involved in expensive and ineffective strikes, will decide without hesitation that they ought to speak out.

The British workers, as a class, are orderly in character and action; and if they follow their traditions and convictions and finer inspirations, they will steer wide of the revolutionaries who have, and will, endanger their happiness and prosperity. Already the wild men have increased the cost of living. In those countries from which we buy our main stocks of raw materials and food, the exchange rates are against us; Consols are well below 50; and some War Loan Stocks are far below par. Every further outbreak of the irresponsible extremists disturbs industry and accentuates this situation, and reduces the value of the poor man's savings and wages.

The Trade Unionist, therefore, has the imperative duty of speaking out and protesting against those who will only make social and industrial experiments in the most expensive way.

That the political Labour Party will endeavour to displace the other parties and constitute a Government on its own lines, is now certain. The Labour Party has said so; and society, in faith, or malice, or hopefulness or hopelessness, has accepted the Party's dictum.

If and when it comes into power, will the Labour Party succeed in making trade better or man happier? There's the rub. It will start with a very heavy handicap. It has sown a crop of promises, and it cannot escape the harvest. The economic fantasies advocated by various of its groups have appealed to the unthinking as a fairy tale appeals to a child, and there will be terrible disappointment if the promised employment fails to materialise, or the money to pay unemployment benefit cannot be extracted from an over-taxed and debt-embarrassed country.

Levies on capital are, or were, easy and attractive subjects to talk about. They appear to offer such simple and efficacious means of meeting financial liabilities. To-day, not so much is said on this subject. Its discussion has shown, not only the difficulties of preparing and giving effect to any scheme, but has emphasised the fact that to unduly tax capital is to dissipate it, either by forcing it to find sanctuary in other countries, or to encourage wasteful spending in order to dodge taxation.

Even those who were originally enamoured of this way of meeting indebtedness are now beginning to see that it is better for man to earn his own living than to poach on the savings of his neighbour or his grandfather.

Apart from, but in addition to, the financial liabilities and social expectations which will await it, a Labour Government would be faced with problems to which, as a Party, it has given little attention. It will have to govern an Empire, even though within its ranks imperialism has been anathema. The Dominions, India, and Ireland cannot be dismissed by the utterance of a phrase or the passing of a resolution. Their interests are interwoven with, and for the time being dependent upon, those of Great Britain. The consideration of these interests will call for the exercise of capabilities not yet manifested by the Labour Party. Mistakes will bring swift punishment from those who have been led to expect too much.

To maintain good relationships with old friends, whilst essaying to heal the wounds of recent enemies, will require statesmanship of the highest order.

Wrapped up with this question of Empire governance is the problem of the Navy and Army. The attitude a Labour Government would adopt towards the twin services can hardly be guessed, because, hitherto, while there has been considerable exploitation of Navy and Army circumstances, there has been no definite programme put forth for the constitution and maintenance of either force. Yet there is a point below which even a Labour Government dare not carry its negligence of national and imperial defence. Perhaps one is justified in assuming that because the majority of those who form the Labour Party are Socialists, they will, in order to cut the cost of the Navy and Army, admit and enforce universal liability to Naval and Military service, and that this liability will be supplemented by a compulsory form of training sufficient to maintain necessary efficiency.

What of Democracy? Democracy in society makes for millenniums; but democracy in government may easily make for decadence of authority. Democracy can destroy, but history suggests that it cannot construct, except in circumstances where the issues are confined and simple. In Britain, democracy in government shows signs of failure. The return of autocracy is threatened; whether it be an autocracy of intelligence or one of ignorance, remains to be seen.

The decadence of authority begins in the homes, goes through the schools, and dangerously affects the State. The signs have long been obvious to those who viewed the situation without political prejudice, or the possibilities of political preference. Warnings to the Government have been frequent, but they have fallen on the deaf ears of Ministers who were busy with their own immediate affairs, or who were under the directing control of their own Departmental Chiefs, or who, having forgotten the lessons of history taught in their universities, have failed to learn those of the times in which they live.

Government, as science and art, plus inspiration, has long been decaying. Not what was right, but what was expedient, has become the object of the politician, who masqueraded in the garb of statesmanship. No man defended the right unless it was politically safe to do so. Ultimate results have been sacrificed to immediate advertisement. Those who, in one session of Parliament, have raved against the giving of doles, have, in the next session, out-doled the dolists. No man occupying or usurping the seat of a Statesman has dared to say to the people that unless they work they must starve; or if they use force to destroy equilibriums, force will be used to destroy them.

Successive Governments have endured the licentiousness of the minority and allowed the majority to be terrorised and impoverished. Occasionally there has been a pretence of punishment of particularly flagrant offences against law and order, or when one or two revolutionaries have viciously arrested national productivity; but not one of the punishments inflicted has been equal in severity to a week's service in the trenches. The criminal with anti-social tendencies has had a much more "cushy" time than the duty-loving patriotic soldier.

Parliament, as a whole, has too many members and too little capacity. Six hundred members of both houses would be more likely to recover control than thirteen hundred and fifty. The situation, unfortunately, cannot wait upon Parliamentary reform; each day increases both the danger and the difficulty. Action must be definite and clear, and its aim must be to arrest the diseases which threaten to destroy Britain. Disobedience to the law of the land, and to the law which is over the land, must be definitely and swiftly dealt with. The means adopted will be approved, or condoned, or condemned in the light of results.

It should be the immediate policy of all parties to rid the Government of excrescences that hamper and endanger. Over and over again has the Government been warned of the danger of interfering with matters outside their sphere; time after time has it been pointed out that such interference might prevent some strikes, but only at the ultimate cost of revolution. Neither Governments nor Parliaments can override economic law, and the attempt to do so has brought revolution very near to us. Get back, or perhaps forward, to sane conceptions; let capital and labour settle their differences between themselves, and let the State content itself by keeping the ring, interfering legislatively only when life and health and material are in danger.

The strikes of to-day are not against capital, they are against society—society as represented by the hundreds of thousands of girls and women who tramp to work through the snow and slush because a few motormen misunderstand or desire to repudiate a contract, or a few railwaymen are disgruntled. Some strikers realise the baleful effects their actions must have on the community and on trade, but their faith in authority's power to protect them has weakened, and they drift to the side of the revolutionary.

The task of recovery will be great. During the last fifteen years, many thousands of officials have been created; these all struggle for the expansion of their Departments and the enlargement of their functions. Many call themselves Socialists, but they are promoting and assisting anti-social developments.

Is there a man strong enough to tackle the job? Strong enough to tell the people the truth and to meet force by force if needs be? Upon the answer to this question depends the future of Britain and the fate of the British Empire. The majority are waiting for the man, and will follow him almost blindly.

CHAPTER V

UNEMPLOYMENT: CAUSES AND REMEDIES

AMONGST the millions who are to-day unemployed are hundreds of thousands who fought for the political life of Britain and for the safety of the people who were fortunate enough to remain at home. The tragedy behind this crowd, which is at once landless and workless, must move to sympathy every man and woman in Britain. It ought to do more—very much more. It ought to move the whole people to the instant and scientific study of causes and remedies as well as to the application of palliatives.

The situation has not developed without warning. The signs of its coming were as flaming as, and much more threatening than, the Northern Lights. It needed neither especial sagacity nor profound knowledge to see that collapse must follow the crisis and the political madness which, initiated in 1918, encouraged false hopes and condoned unjustifiable extravagance.

As far back as March 2nd, 1919, I wrote:

> "Industry cannot be operated successfully if the wages paid exceed the value of the articles

produced. In such circumstances, industry ceases to be profitable and can only be carried on by the depletion of reserves and with the certainty of bankruptcy.

"It was the same with Housing. Subsidies seemed so easy and so natural to speakers upon whom it never dawned that new houses would be subsidised at the expense of the old ones, or that the better paid artisan would, by appropriating the new houses, increase the burdens of the very poor. Houses were needed, but it was not necessary to obscure or disregard the incidence of cost.

"What applies to uneconomic wages and housing schemes applies with even greater force to so-called non-contributory schemes of unemployment benefit. All costs falls ultimately not upon dividends, nor upon hoarded wealth, but upon the recreative capacity of the people.

"It is always the worker who pays and it is imperative that the worker secures real value for money paid, even though the payments are made to his own class.

"Just as surely as he suffers if he squanders individual resources, so he suffers if he dissipates or permits the dissipation of national resources."

"High wages, short hours, cheap food and cheap housing accommodation are desirable things, but they are impossible apart from high efficiency and maximum production.

"Unless he learns this lesson, the worker will pay in unemployment and in personal degradation and he will involve his wife and his children in his debts and their consequences."

Endeavouring to emphasise the coming dangers, I said, on March 6th, 1919:

> "Throughout Britain, there are hundreds of thousands of sound trade unionists who fear the consequences of unauthorised and irresponsible strikes. Their fears are accentuated by the commercial situation which is developing."
>
> "Tin plates are already on the market at 20s. per ton less than British cost prices. Steel is being offered by Britain's competitors at a much lower rate than Britain can produce it, even with the aid of a subsidy.
>
> "Lancashire, with 75 per cent. of her trade overseas is faced with offers at 30 per cent. lower than present cost prices, while America is prepared to put coal into markets formerly monopolised by the British at rates very little in excess of what it will cost Britain to place coal in the port of export.
>
> "These are the facts, and no matter how unpleasant they appear, they have to be faced and dealt with. It is no use appealing to Parliament for a solution of this problem. The industries must themselves find a solution or go out of business.
>
> "Fortunately, the mass of the people are full of common sense, and most of them can still appreciate consequences that must follow any failure on the part of Britain to maintain her export trade.
>
> "Without export there can be no regular employment for the mass, and without employment, millions of perfectly innocent people—men, women and children—will be overwhelmed with tragic suffering."

Nothing was done, and in September, 1920, endeavouring to interest the Trade Unions, I wrote that:

> "To discover the real causes of unemployment and the real remedies would be worth all the money the Trade Union movement possesses. To go on repeating the old formulæ in face of the world's facts will be folly of the worst kind. It is no use talking about the right to work unless we can discover the laws that govern work and the proper way of applying them."

Machinery to deal with effects, expensive and derogatory to moral qualities, was indeed installed, but nothing was done to remove or even to palliate root causes. Men continued, and were content to continue, in an atmosphere of hazy assumption and vague generality. For years they had been content to assert that unemployment was due to over-production, and this in spite of the efforts of sane economists to discredit the fallacy. Sporadic and particular cases of unemployment may indeed be caused by the temporary failure of industries or areas to distribute the commodities they have produced, but to assert that over-production is the sole, or even the general, cause of unemployment is to invite the critic to say that the corollary would be equally true and that under-production would find us all busily occupied. Not even the Council of Action has been foolish enough to put this latter proposition into terms.

While most of us are now satisfied that over-production is not the cause of unemployment, and that there has been no over-production of essential commodities, we are not satisfied that any of us apprehend the cause or all the causes, nor does it seem possible at any time to indicate complete and perpetual remedies. It is, however, possible to carry the probing of the problem much further than the majority have.

The more closely this subject is studied, the more difficult it seems to enunciate any formula that expresses the whole truth concerning unemployment.

In the first place, it is necessary to break away from the common practice of reasoning only from immediate and obvious circumstances. Unemployment is not a new problem, nor is it consequential upon the war, though war intensifies it. In 1909, when there were no war consequences to confound commercial and industrial enterprises, the Board of Trade returns showed, at one time, and in a number of occupations, unemployment affected 9½ per cent. of the people engaged. It is evident, therefore, that if we would form tenable conceptions of fundamental causes, we must go further back than 1920 or 1909.

Recently, it was argued that poverty supplied the basic cause, but closer consideration suggested that poverty was an attendant circumstance rather than a cause, and that it would be necessary to go deeper still. The more men thought, the more they were inclined to the conception of a set of causes which might be divided into what appeared to be actuating and precipitating causes. The actuating cause, though not the only cause, which obtruded itself with the persistency of a recurring decimal, was the disappearance of equilibrium between natural resources and national needs.

By natural resources I mean the area and quality of the soil; the nature and variety of indigenous crops; the character and accessibility of minerals; the geographical situation and the climatic conditions. While these, plus certain human attributes, are equal to the maintenance of the population at current standards of existence, there is little danger of unemployment, except such as arises from the moral or physical ineptitudes of individuals.

It is when the population outgrows the natural resources of a country that the possibility of unemployment and starvation and death emerges and compels the dispersal of populations or the higher development of human attributes and the acquirement of what I must, for the moment, describe as extraneous resources.

It is impossible to say exactly when the need for these additional resources actually developed. Englishmen, because of their restlessness, and Scotsmen, because of their impecuniosity, have, for centuries, sought better conditions in many lands. Whether, or when, the earlier adventurers exhausted the possibilities of their own countries, does not clearly appear, but the fact that Edward III fixed wages and working conditions by statute suggests that employment was not all that was desirable in the fourteenth century.

In 1801, the population of England and Wales had risen to 8,892,000, and it is clear from the annals of the times that natural resources were then carrying a fairly full load and that any very appreciable addition to the population could only be supported if the resources of other lands were acquired and exploited.

Investigators, inventors and adventurers were, however, at work. Coalfields were exploited; the modern steam engine was discovered; sailors and soldiers and merchants opened up territories and opportunities, and the balance between internal resources and national needs was temporarily and perhaps indifferently adjusted.

More than recovery took place. The enterprise of the thinkers and the fighters made possible the extraordinary increase in population which took place between 1801 and 1901. Remember it was the same old country, the same area, the same soil; patches of gravel, of sand, of loam and of clay, with hills of chalk and mountains of stone; the same variable climate, and yet the area that was supporting 8,892,000 in 1801, was supporting 32,000,000 in 1901.

While recovery took place, the conditions of life became less stable. Instead of agriculture being the base upon which Britain built, it was industrialism, and industrialism is always more susceptible to fluctuation than is agriculture. The raw material of the agriculturist is always at hand, and he may maintain life by directly consuming his own productions. Not so the industrialist. He must buy from varied and frequently distant markets the raw materials he manipulates, and the products of his industry can only be consumed in small part by himself. They must be exchanged, and any circumstance which adversely affects his capacity to exchange, leaves him idle and in peril. It is in disturbance of equilibrium between natural resources and national needs and in failing capacities for exchange that we must seek for the basic causes of unemployment.

The line of demarcation between basic and precipitating causes is not always clear. Failure to effect remunerative exchange may stand in both categories, and whether it is war that arrests, or industrial inefficiency which accentuates, the results are pretty much the same. The thousands of millions whose existence depends upon the sale or exchange, rather than the personal consumption, of the things they make, find their occupations gone, though their appetites remain. Ignorance, waste, and economic misdirection, are attendant causes of unemployment and have had their share in the development of the situation which exists in Britain to-day, and whether we consider remedies or palliatives, we fail unless we educate the people, eliminate waste, and acquire a sense of obedience to economic law.

To-day, it may be argued that we spend enough on education. We spend too much on education which attaches more importance to subjects than it does to character. There is no need to spend more, or at present to provide further facilities. What is needed most is a development of inclinations, and every man and woman who is capable of feeling any sense of responsibility, can become an unpaid teacher of the things that make for national greatness. No new buildings are needed for this class of teacher, but their unofficial and voluntary and inexpensive efforts can effect greater moral changes than all Whitehall's machinery.

It is only an educated democracy—and by educated I mean, possessing a developed sense of right and practicability, that can appreciate either the need for, or the means of, securing balance between what they produce and what they require. It is only an educated democracy that will face the basic facts of unemployment, and take the apparently brutal steps necessary to secure amelioration which does not involve increased liability. I am, therefore, all for education, provided it is of the right kind.

In 1801, we had a population of 8,892,000. To-day we have 46,000,000. Obviously, they cannot all live by tilling the soil, because there is not enough soil, and their attempts during the last year or two to live upon each other have not been wholly successful. The alternatives that present themselves will not appeal to the mendicants or to the Utopians, but there is no escaping their inevitability. Either you transfer the people who want food to the lands which grow food, or you increase the variety and the quality and the saleability of the goods your people manufacture, and also your capacity as world carriers of merchandise, or you starve and deteriorate until your effectiveness is less than the cheaper yellow and brown men, and then, you go out. Go out, and give place to the more adaptable.

It is dangerous to a degree to continue on the assumption that the Almighty will continue to interpose special providences between Britain and dissolution.

Assuming that the foregoing conceptions of cause and remedies are accepted and that the people are prepared to emigrate or to increase the selling value of the goods they produce, the question arises as to how we shall deal with the suffering and want which already exists.

Amplify immediately your plans for emigration. The Colonial Office has already done something, but it can, and must, do more. Means of transport and means of subsistence must be temporarily provided. Those who go out must be directed to the best places and aided in their search for work. Communication between them and the Homeland and the other Dominions must be maintained in order to encourage their sense of common relationship. With proper care, it should, in this way, be possible to transform many human liabilities into human assets.

There are objections to emigration. They come from people whose grounds for objection differ greatly. Some are political, some are sentimental, and some may be quite selfish. The revolutionary objects to emigration because it removes congestion and discontent, and interferes with his programme. The legislator with a sense of responsibility objects because he believes that only the best and most enterprising face the risks, and that their departure impoverishes the remainder. The sentimentalist thinks of the old flag and the broken home circle; and the selfish one in these lands that are not yet overflowing with population, fears that his privileged position may be encroached upon.

I have no concern with, or for, those who preach the doctrine of discontent. At best it is a miserable doctrine, and it may easily become a disastrous one. I sympathise with the statesman who fears the consequences of reducing the average of strength and enterprise, and I can easily weep with those who imagine the old flag without defenders and the fireside without particular loved ones; but neither their fears nor my tears can help the situation. It is bad to contemplate life outside one's Homeland, but it is worse to contemplate starvation and death within its borders.

There are people in the Dominions who offer but frigid welcome to those who seek to transfer themselves and their fortunes from Britain to the lands which Britain colonised. But their numbers are few, and their influence would be negligible provided the people on the other side were made partners in the enterprise. We must expect antagonism to ill-digested schemes. Any dumping in British markets, of foreign goods, creates annoyance, and we must not regard as unreasonable the Canadian, the Australian, the New Zealander, or the South African who objects to human, and sometimes damaged freight being dumped upon his shores without a "by your leave."

The Dominions' need of population is just as great as is our need of relief from over-pressure. Figures concerning densities are illuminating. The number of persons to the square mile in Britain is 618; in Canada it is less than 2! Australia has an area forty-two times that of Britain, yet her population is about five-sevenths of that of Greater London. South Africa has millions of acres upon which white men may live and multiply. Whatever justification there may be for ousting the aboriginal disappears if his conqueror and successor fails to replenish the land.

Recently, I have discussed this problem with representative and sympathetic Canadians. "We need your money, and we need your men, but don't send us counterfeits." "If you think we are aiming at graft, you're wrong, and if it will comfort you, we will make joint arrangements for the protection of both interests—yours and ours."

An Imperial Conference is shortly to be held. The Premiers from overseas are even now gathering to discuss matters relating to the welfare of the Empire. I have no wish to detract from the dignity and the capacity of the men who are coming, but I am certain a solution of the problems of emigration and immigration will be unduly delayed if the trade unionists of the territories concerned are left outside the conference. I am certain that in Canada, Tom Moore and Harry Halford and P. M. Draper, whom I am proud to number amongst my personal friends, understand their own situation and sympathise with ours. The same applies to Archie Crawford in South Africa, while Australians know that they must encourage association with white men or risk succumbing to yellow men. Get your Imperial conference, but let us include those whose business it is to maintain wage standards and decent conditions; including them in the discussions and making them parties to the arrangements will vitiate antagonism and encourage co-operation.

More efficient production may be regarded as complementary to emigration, or as an alternative. More efficient production should aim at increasing quantities and qualities and distributing facilities without trespassing upon the workman's legitimate opportunities to maintain health, to develop intelligence and *moral,* and to enjoy social and family amenities. The intellectual and mechanical aids to production should be exploited to the full, but the operating factors—the men and the women—must be mercifully dealt with. After all, they are made in the image of God, and it cannot be God's will that their lives should be seared and defaced.

I have referred to distributive facilities and their necessary increase. For seaport towns, this is indeed a matter of the greatest importance. In such places the people will tell you that Britain makes more by selling goods than she does by manufacturing them, and that her prosperity is greatest when her carrying trade is most buoyant; when her ships float over the seven seas and into unnumbered ports.

These people are right. Apart from her ships, Britain cannot exist. They feed her; they keep her in touch with her outer boundaries, and they maintain inviolate her inner shores. But here also there is room for improvement, and if unemployment is to be combated, then those who go down to the sea in ships, and those who direct operations, must gather together, not to secure sectional triumphs, but to raise efficiency and to produce economy.

Must we always ignore palliatives? This question is often asked, and the answer should always be—No! Personally, however, I differentiate between remedies that go to the root and palliatives that weaken *moral* or dissipate capital. The palliative proposals that have been most consistently pushed upon the public are represented by the phrases, "Stabilise exchanges," "Trade with Russia," "Levy on Capital," "State Maintenance," "Credit System."

Stabilising exchanges has, for many months, been the panacea of every superficial politician. One has been nauseated by the parrot-like injunction to the Government to do what the gratuitous adviser had no conception of doing. Stabilise them indeed—but how? The King, taking the matter seriously, and having the people instead of a party to consider, declares that this stabilising will keep the nations heavily occupied for many years. The seeker after cheap popularity would sweep aside this obstacle to national recovery as easily as he would remove the froth from a pint of porter.

Stabilising exchanges is a lengthy process; in the meantime, what about the hungry?

Trade with Russia is advocated as another infallible way of finding employment. I am certain that trading under the auspices of the present government of Russia would find employment, but whether it would find remuneration is another matter. It has never seemed to dawn upon the communist advocates of Trade with Russia that it would, under existing circumstances, mean work without pay, or at best, promise of deferred pay. That may be an acceptable doctrine at the gathering of the Red International, but it won't go down with the British Trade Unionist. Trade with Russia by all means. Trade with anyone who can give a *quid pro quo*. Beyond this I have yet to learn that the Government places any obstacles in the way of traders who are prepared to carry their own risks.

"Establish a credit system," cries another palliator. During the war Britain went a long way in this direction, for she lent her Allies and her Dominions £1,852,233,269. If that sum were repaid to-morrow it would enable the Chancellor of the Exchequer to liquidate our money debt to America and to reduce taxation, and by so doing to assist a revival of commercial and industrial activity. It may be possible to lend more, or to send out more goods on mere promises to pay, but the safer policy seems to be that of bringing the price of our merchandise within the purchasing capacity of those peoples who, because of our price and our delayed deliveries, are seeking other sellers.

"Levy capital" has been the proposal of many, and it is said that even the Chancellor of the Exchequer regarded the proposition with favour. It is still the premier plank in the programme of the Labour Party. Of all the easy solutions of existing problems this seems the most attractive. It claims to take from him that hath all that he has, and to give to him that hath not all that he hasn't.

It never seems to strike the advocates of this solution that capital is essential to the maintaining the expansion of industry, or that its dissipation accentuates the difficulties of to-day. In the face of the facts of rating and taxation, one wonders how the advocates of capital levies, or the latest form of the same proposal—a tax on accumulated wealth—would proceed. It is said that local rates, which in 1904 were about £100,000,000, had risen in 1919 to £194,000,000, and are estimated to rise in 1921 to £250,000,000, while we know that Imperial taxation has risen from £200,000,000 to £1,400,000,000.

These figures suggest that the real palliatives lie, not in the direction of increased levies or taxation, but in decreased expenditures. You cannot have your cake if you have eaten it, and you cannot develop your trade with capital that has been dissipated.

"State maintenance." Here the position is not easy. The State has made many demands upon men; it has made them many promises; it has weakened moral fibre, and by continued interferences in trade and commerce, it has hampered recoveries. It is, consequently, under obligations which justify a demand for assistance. But this assistance, in the nature of things, can only be temporary. Sooner or later, the reserve of liquid capital will be exhausted and doles become impossible. The formula, "maintenance or work," has been amended to read: "Preferably remunerative work." Maintenance without work means universal pauperism, to be followed by national bankruptcy. Work at preferably remunerative rates implies the possibility of subsidised work, which is another form of pauperism, or it means work which produces articles which can be sold in the world's markets at prices which leave a margin for wages. The question arises as to who is to organise the work, who is to sell the articles, and who is to fix the wages. The answer presumably is, the State. In that case, God help the workman.

Attempts must be made to maintain those who cannot obtain employment, but the community cannot be expected to maintain those who evade work. Every time this is attempted the common standards are lowered, the aggregate liability increases and the conditions which precipitate unemployment become more acute.

It should be the business of the Trade Unions and the Employers' Associations to see that neither men nor women willing to work, lack opportunity. In the new Trade Unionism which I hope to see develop, it will be understood that unemployment of the able-bodied is quite as dangerous to the Unions as it is to the community. It always effects reductions in wages, or, to be more accurate, in the value of wages. These reductions are not always obvious, but they are, nevertheless, real. The cash received by those employed may be the same, but public opinion in Britain has decreed that the willing worker shall not starve, and if he does not earn his own living, it must be earned for him by the people who remain at work. The days of manna are passed, and there are no longer inexhaustible cruses of oil.

In this matter, the Trade Unions must readjust their outlook. The fear of future unemployment impels them to inflict present unemployment upon men of their own class. That is, indeed, the real class war. The fact that 250,000 able-bodied ex-service men were unemployed, whilst others were working overtime, or holding up production, constitutes the gravest kind of industrial scandal.

It is held by many Trade Unionists, and by the dilettanti who advise them, that the effective absorption of these men would lead to continued over-production and an accentuation of unemployment. I very seriously ask those who hold this view to study the world's circumstances, and to face courageously the conclusions these circumstances suggest. The fact that millions are dying for want of goods, and that millions who can make goods are unemployed, suggests that many earlier conclusions are wrong, and that there are other and graver causes of unemployment. It is the duty of the Trade Unions to probe the circumstances until these causes are laid bare and the real remedies propounded.

An investigation such as I suggest will probably prove that as like breeds like, so work accomplished breeds the possibility of more work to undertake; that employment tends to create employment by developing purchasing power. Much of the hostility to the absorption of the unemployed in industries that require labour is due to carefully fostered prejudices and to the mistaken idea that price and value are synonymous terms. Men may receive very high prices for their work, without these prices enabling them to purchase comfort.

The problem which confronts us increases in complexity with each erroneous attempt to solve it. It is necessary to keep our people alive, but it is also necessary to elaborate means of maintaining balance between what our country can produce in the way of food and raw material and what our people need to maintain existence. Other people may have better solutions, but I feel that we must either decrease our numbers and our standards of living, or increase our capacity for profitable exchange in overseas markets.

CHAPTER VI

LABOUR UNREST

UNREST is not a phenomenon of to-day. It is as eternal and almost as mysterious as the tides. It has found expression in all times and amongst all peoples. It really began when the second man saw the first and realised that priority might have given advantage.

In the elementary stages, it lacks sentiency, and is impulsive rather than cohesive and consecutive. It has areas and periods of quiescence. Those who live in these periods often mistake quiescence for dissolution. Because unrest has ceased to be obviously expressive, it is sometimes assumed to be dead. Upon its percussion and repercussion depends the progress of peoples and the development of empires.

Its expression appears to be good or bad according as education and understanding and opportunity offer. Inasmuch as it represents force and motion, it is dynamic in character and it manifests itself in fear and doubt, in resentment, in avarice, and in violence. Fortunately, it also finds general and even more forceful expression in courage, in magnanimity, in generosity, and in desire for orderly progression.

Amongst the mass of men, there is always fear arising out of the danger to life, to health, to financial and social position. There are also the fears concerning food and shelter and the fate of dependents and as life passes the autumnal stage and approaches winter, there is the tragic fear of the days when capacities are overstrained, resources are exhausted, and old age points the way to death.

It may be blessed to be poor in spirit, but there is no blessedness in material poverty. It is popularly believed that Dives went to Hell, while the poor beggar went to the land fit for heroes. Nevertheless, the common predilection is still in favour of the position and chances of Dives. There are no willing candidates for the beggarship, but many for the position of the rich man; and that in spite of post-mortem risks.

Resentment follows fear and is excited and intensified by vulgar ostentation. The sights outside the popular restaurants and the ostentatious advertisement of expensive society functions are maddening to the workless or the ill-fed, and it is difficult for the poor woman to avoid this resentment when she beholds another of her sex with two hundred pounds of flesh on her body and two thousand pounds worth of rings on her fingers.

Avarice is a common expression of unrest. It is always seeking to possess without giving equivalent returns, or without considering the effect of its operations upon others. Avarice is not the proprietary vice of the poor; the worship of the golden calf is more common in Lombard Street than in Walworth Road. But the most terrifying expressions of unrest are the violent outbreaks against personal property. The circumstances which usually precede such outbreaks—unemployment and poverty—may be often ignored by the authorities; but, once unrest passes from the active to the destructive, the whole community must become intensely interested.

Whenever unrest is accentuated by unemployment and poverty, the baser kind of politician finds ample opportunities. Sometimes he is actuated by spleen; sometimes by ambition; and sometimes he plays upon the fears and suffering of the unfortunate for the purpose of furthering his own material fortunes. Sometimes, again, it is ignorance of causes and inevitable effects which leads these baser politicians to incite others to violence and theft. Those who lack knowledge, or are without proper feeling, or who hope to make things right by doing things wrong, are actively employed to-day. They are everywhere advising the poverty-stricken and workless to satisfy their needs and desires by violent theft.

That force is no remedy is an axiom which ought to be dinned into the ears of the blatant advocates of force, and also into the ears of those baser souls, who, lacking the courage openly to advocate violence, reiterate in their speeches in tones of approval the assertion that men are losing patience, and may be expected to take forcibly anything they may want.

The repetition of this platitude may do quite as much harm as the open incitement. Whether this doctrine of violence is preached or insinuated, it is a damnable one. Put into practice, it must evolve waste of the worst kind, and suffering far in excess of what is at present being endured; for whatever looting takes place, half of the property stolen is invariably wasted. The greater part of the balance falls into the hands of professional thieves, and the real unemployed, instead of being assisted, are still further prejudiced.

There is another consideration which ought to weigh with the unemployed and their advisers, and that is that the looter is no respecter of persons. He will just as readily steal from the poor as from the rich. The consideration, however, which weighs most with me is that the wealth of Great Britain is mostly in building and machinery; in ability and goodwill. If you burn and otherwise destroy your buildings and machinery, your ability and your goodwill suffer the most deadly handicap. This handicap can only be overcome by suffering and labour, which, had there been no violence, would have been quite unnecessary. The form of unrest which finds expression in violence and theft is the most reprehensible of all. It offers, apparently, an easy way, but takes, in fact, all but the few along a road that is strewn with thorns.

The treatment of unrest must be educative, as well as palliative. Unfortunately, education has been left too much in the hands of the professional. To remedy this, every man and woman should become an educative force, teaching by example and precept the things concerning life. Further, all their lessons should be based on a love of right and a desire to promote both in the individual, and in the community, right thinking and right action. Any system of education, whether professional or voluntary, which sets the material above the moral is self-condemned, and fails to envisage unrest and harness it to good purposes. It is better to appreciate the Decalogue than to understand the Differential Calculus.

Education is needed by all classes. No vacuities are more intolerable than are those of people who regard life as an interlude between birth and death, which can be spaced by exercises in physical adornment and physical gratification.

In addition to education, however, there must be a universal conservation of the means of livelihood. There must be no waste, Governmental or individual, to give rise to that form of unrest which arises from resentment against removable hardship.

People are justified in being resentful with the Government for every form of waste; for the encouragement of expenditures which are desirable, but inopportune; for imposing taxes which vitiate enterprise, and for subsidising some trades at the expense of others. Where they go wrong is when they assume that they can make the Government pay for its mistakes. The Government never pays anything; it only hands over, from one section of the community to the other, monies that have been derived from the earnings of men.

State payment and State maintenance, which are being urged as palliatives for unrest, appeal with less force to-day than they did yesterday. The people are beginning to realise that salvation is a personal matter, in economics quite as well as in religion. The folly of depending upon the State for every human need and aspiration has become obvious; and the people are groping after better means of satisfying their wants.

Everywhere, men are realising the failure of legislation effected hastily, at the instance of theorists, and too often enforced by Orders in Council. They are seeing that Acts of Parliament, passed with the best of intentions, do not always produce the results intended. Taxing other people's property or enterprise has always been an agreeable occupation, but the pleasure decreases when the effect of the taxation is opposite to the intention of those who framed it.

To-day we are seeing the dispersion of large estates, and this is said to be a matter of deliberate policy, but the results are not all that were expected. The big landowner is forced by taxation to sell; the tenant farmer is afraid of disturbance and ambitiously buys up his holding. In doing this, he uses up all his ready money, and in all probability saddles himself with a mortgage and involves himself in a period of heartbreaking effort which may end only at his death. The framers of this legislation intended only to kill the big landowner; but they may, in fact, kill his tenant and throw his tenant's labourers out of employment.

Lancashire has its own example of the perversity of intention. The delegates from its Trade Unions and political groups have been attending various trades and labour conferences where perfervid resolutions in favour of Home Rule for India have been carried with exultant unanimity. India has not been given Home Rule, but she has been given a much greater measure of power, and one of her first uses of this power has been to impose a protective tariff against Lancashire goods.

It is not necessary for the delegates who helped to give India the power she is now using to apologise or explain. Everyone who knows them, knows that they never consciously intended to hurt their own people; but, they had drifted into politics. They were against the Government; they succumbed to idealism. But Lancashire finds the way into her best market narrowed and her staple industry handicapped at a time when she is badly hit from other directions.

In order to relieve some forms of unrest there must be concerted provision against social and industrial accidents. Sickness, unemployment, superannuation and death are contingencies which beget fear; and they must be dealt with if unrest is to be circumscribed and utilised for progress instead of for destruction. The State's efforts to meet these contingencies are neither complete nor successful. In sickness there is malingering amongst women and men; the medical service is ineffective, and the old voluntary care and control have given place to professionalism or quasi-professionalism. In unemployment insurance there is much downright dishonesty that goes undetected because the people either do not realise their true interest, or because they consider it bad form to help the Government against the thief who steals benefits.

Old age, too, is met in niggardly and irregular fashion, and much is left undone which might be done to rob death of some of its terrors. The provision of means to endow loved ones would soothe many last hours. The extension of the State's activities in these matters has not been fraught with perfect results. Its failures suggest that it has neither the genius nor the necessary moral quality for this kind of work.

State activities are too costly, not only in the cash sense, but in respect of time wasted and moral fibre destroyed. The latter loss is appalling. This is delicate ground, for it is customary to deny or minimise the facts of pauperism. But the facts remain, and the tendency towards pauperism is more manifest to-day than it has been in any other period of Britain's history. This is not to be wondered at, for whilst the old Poor Law marked definite lines and provided local control, the Approved Society and the Employment Exchange offer very obvious and dangerous opportunities for the shirker.

Are there better ways of treating these expressions of unrest than those at present in operation?

I believe there are. For unemployment, for superannuation, and for death, or what I would call post-mortem liabilities, the industry appears to be a better unit than the State. There are difficulties, but none of them appear to be insurmountable, provided employers and workers, through their central organisations, set aside preconceptions and adopt the easiest methods of collecting funds, distributing benefits, and preventing malingering; provided also that each industry shall contribute each year, from any surplus, a fixed percentage to an equalising pool. Averages of unemployment, sickness, superannuation, etc., would vary between trades, and even in trades, between seasons, and the central reserve upon which unfortunate industries might draw would be a necessity.

To raise economically the necessary money it would be advisable to abolish the existing system of contributions, and substitute a percentage paid each week by each employer upon the wages of each worker, this percentage to be ascertained by actuaries, and quinquennially adjusted. It would then be only necessary for the Trade Unions to collect the contributions for trade purposes.

Those charges for sickness and unemployment are at present nominally divided between the workman, the employer, and the State. This is done in order to conciliate interests, but it would be more economical if, instead of the various threepences, sixpences, and shillings paid in various ways, the employer paid the whole. A cheque could go into the local bank to the credit of the industry, and the workman's record card could be stamped with one stamp for each week of employment; and, as at present, his sickness and unemployment benefits would be affected by the number of contributions paid on his behalf.

Superannuation would be influenced by the number of weeks a man or woman was employed. I should aim at one pound per week at fifty years of age, with actuarial additions for each period of five years until sixty-five was reached. For post-mortem liabilities I would provide a fixed sum, whether a person died after one month's employment, or after fifty years, it would be the same. In no case would the individual have cause to complain. The industry rather than the individual would directly meet the cost, and it might be that the earlier deaths would leave greater dependency, that is, more young children, aged parents, and others unable to earn their own maintenance. It would not be altogether desirable to scrap existing institutions; that might be too costly. They could be remodelled with the idea of reducing labour, eliminating profit, and confining the Government's part to the advisory and the provision of highly technical information. Governments might guide, but not administer; provide statistics and actuaries, but not control.

The administration and control of finance should be in the hands of a small commission of representative Trade Unionists and employers; the residuum of need which these could not cover must be met by the Boards of Guardians.

The more this question is studied, the more definite is the conclusion that the State must go out of these insurances against social and industrial contingencies if honesty is to prevail. At the present moment politicians promise improvements and extensions whenever an election is imminent. The position is immoral to a degree, and it is difficult to decide who is the greater criminal, the man who, for his own ends, votes the public money, or the man who takes it.

Can the industries bear the cost of insurance against social accidents? They are bearing the cost to-day, plus the cost of varied methods of collection and administration. The foregoing suggestions involve a revolution, but it is a revolution which lets no blood and destroys no property. If such a system were in vogue, the shirker could be dealt with as he ought to be—that is, as a criminal. The decent people—and they are still the majority—might be expected to increase in efficiency and production. Unrest would not be eliminated, but it could be used to drive the social machine instead of to wreck it.

Have we brains enough to give effect to such ideas?

The answer is surely in the affirmative. We can do these things, and in addition, build up new conceptions. The one most needed at present is a new conception of aristocracy. The highest classes should be those who do most, and not those who spend most; those who try hardest and not those who lie hardest; those who set duties above rights, and who view with greater regard their duty towards their fellows than their prospects of acquiring power or accumulating riches.

Unless our studies of unrest and its treatment tend toward such a result, Britain cannot remain the brains and heart of a great Empire, or even the centre of a great Commonwealth.

There are some who seek to accentuate the less desirable expressions of unrest on the assumption that unrest is divine. It can only be divine when it aims at divine things.

CHAPTER VII

STRIKES, WAGES AND VALUES

NO one, least of all myself, desires to perpetuate the bad that marred the industrial conditions prevailing in pre-war days.

Hours were too long, wages were too low. The conditions in which men and women worked were often dangerous to life and health, and the conditions under which they lived were frequently inferior to those which were provided for cattle.

Nobody doubts that these conditions endangered both the health of the worker and the life of the State. Nobody suggests that they should continue.

Everyone agrees that change should take place. The only difference is as to methods of effecting change.

The majority desires to move steadily and on constitutional lines; but the minority, made up for the most part of men who have no knowledge of competitive industry, and who never accept responsibility for anything more important than words, seeks, by any means, to precipitate social and political disaster, in the hope that their own particular theories and fortunes may be advanced.

Men of this type were behind the strikes in Glasgow, in Belfast, in London and on the Tyne.

Often they were defeated, but always they come back again with fresh programmes for the bemusion of the workers.

When these men have trumpeted, the Government has retreated, and it has done this so frequently that the extremists have been able to persuade their followers that the Government feared them, and would ultimately accede to their demands, no matter how preposterous those demands might be.

These revolutionaries never consider the effect of their activities upon the community as a whole, nor do they appreciate the awful effects which their perpetuation of uncertainty has upon British industry. They act as if the trades and the people of this country were independent of each other and of international considerations.

If they do understand anything of this country's dependence on overseas trade for food supplies, they hide or disregard their understanding. If they can show that any increase in nominal wages temporarily follows their agitations, they still further secure the allegiance of the ill-educated and unthinking.

To-day, one result of their efforts is the grave endangering of Lancashire's export trade. The cotton operatives look to the home markets to absorb between 20 and 30 per cent. of their production. India has hitherto taken about 40 per cent. The balance goes to China, South America, the Levantine and other parts of the world.

All these markets are equally open to Lancashire's competitors. The extremists amongst the miners, railwaymen and postal employees may win temporary advantage for their own people, but their activities involve immediate, and in all probability permanent, disadvantage for their fellow workers in the cotton and other industries.

One of the most thoughtful of Lancashire's cotton leaders declared sorrowfully that Lancashire trade could not exist for twelve months unless export was assured. How can export be assured under continual disturbance in basic and essential trades? How can export be assured in face of the soaring costs of coal, of transport, and of communication?

Export is impossible apart from production, and sale in overseas markets is equally impossible unless the quality and price of the article submitted for sale approximates to that of similar articles submitted by those nations who have been, and will be, Britain's competitors.

It might be possible, by artificial restriction, to prevent other people's goods from entering Great Britain. It is not possible to prevent them entering British Colonies or other once British markets; nor is it possible to force highly-priced and low quality British goods on any unwilling foreign market.

The unauthorised and synchronised strike destroys national and international confidence, makes ordered and remunerative production impossible. It dislocates trade and creates suffering for most, and starvation for many.

It is extraordinary that, up to the present, the promoters and supporters of unauthorised strikes have been the same men who tried to provoke industrial disturbances during the war. They are men whose anti-British sympathies have been openly expressed.

During the war they constantly demanded peace by negotiation. Now the war is over, and the need for production is imperative, they flout peace and make industrial war on every possible occasion. That the workers they have led (or misled) might have secured advantages by following more constitutional methods is perfectly demonstrable.

The National Union of Boot and Shoe Operatives have never drawn a man out where negotiation and settlement by reason was possible. All their disputes have been settled in conference, and their increase in wages, spread over a fair period, compare very favourably with those secured by the men who have adopted extreme courses.

The shoemaker was always a thinking person, and during the war he acted with sensibility and forethought. He has neither starved production nor opposed the introduction of machinery, nor needlessly depleted the funds of his Trade Union.

It is of profound interest to the Trade Unionists who have lent themselves to irresponsible movements that they should consider the future as well as the present effects of unauthorised or political (or, indeed, any) strikes. The older fellows, with some experience of ordinary competitive conditions, will do well to set their faces against the youngsters who lack experience and the extremists whose objective is political rather than industrial. They must think hard over some problems of trade and commerce for themselves, and resolutely refuse to be led into the street merely for the purpose of destroying the organisations which, through very difficult times, have fought for better wages, hours and conditions. A Trade Union shattered by foolish or criminal disregard of altered conditions is the weakest kind of reed to lean upon when times are bad. In any war against society the members of such Unions must themselves suffer, for they form part of society.

The miners have sacrificed industrial for political objectives, but there have been others equally reprehensible. If the miners increase the cost of fuel, and the railway workers the cost of transport, they inevitably limit the markets in which their fellow workers sell their productions, and ultimately decrease also the value of their own labour. The iron and steel smelter, the engineer, the textile worker and all those engaged in auxiliary or general work suffer, and will continue to suffer grievously as a consequence of the activities of those who get coal, transport goods and men, and have charge of postal or telegraphic communication. If these force uneconomic rates and conditions, all the other workers must work harder and longer for less money in order to restore the balance. The extremists in these trades have not only upset the new heaven and earth conceptions, but they have jeopardised the eight-hour day and many other ameliorations of old-time conditions.

During this last fifty years the country has drawn the majority of its comforts, as well as its foods, from overseas trade. If the cost of fuel and transportation and communication is materially increased, greater effort instead of less will be necessary in all other occupations, and in face of the competition of other countries, to maintain the existing standard of living. The pressing of wages beyond a certain level is, in effect, like forcing too high a pressure in a steam boiler. The engineer knows that a boiler will safely carry a pressure of so many pounds to the square inch. He knows that if he doubles this pressure he does not double the power capacity of the boiler. What he does is to blow the boiler out of the window, and if poetic justice obtains, he also goes out of the window with the boiler. This very simple illustration represents an immutable law. There is no escape from it. When the workman learns this lesson, he will have learned something advantageous to himself and to the community.

Another effect of the extraordinary increase in the price of coal will be to turn the attention of scientists to some other form of fuel for power and lighting purposes. It would be stupid for the miners to imagine that there is no substitute for coal.

General dissatisfaction, accentuated by loose talk and strengthened by ignorance of the laws of exchange, or the influence of the selling price in overseas markets on the price of labour in England, is mainly responsible for the success which attends the efforts of strike makers. They have been helped, too, by the fact that most of the young men now employed have no experience of industry carried on under normal conditions. They entered the workshops when the stress of war was at its greatest, and when wages were paid without regard to the economic value or the exchange value of the work performed.

They cannot realise the abnormality of conditions either during or following the war, and their perplexity and contumacy has been encouraged by the weak, and frequently indiscreet, handling of successive problems by the Government. The Government apparently thought that the best way to meet demands was to hand out more money from borrowed reserves. A better plan would have been to face the situation fairly and squarely, and to tell the people the real truth about production and wages.

Most men know that no one can manufacture at a loss, and the only justification for Government interference would, therefore, be its willingness and ability to make up loss by subsidy.

Subsidy has been the policy of the Government for the past few years, and it is difficult for the very ignorant to do other than regard its continuance as necessary and easy. They cannot, or will not, differentiate between political desideration and economic values and necessities.

It is doubtful, indeed, whether many know or care that the wages they received whilst engaged on munitions were borrowed at high rates of interest, or that the reasons which justified borrowing to preserve national existence do not justify borrowing to promote industrial laxity or national luxury. Even if further borrowing is possible, it is certainly not desirable.

The official leaders of the Trade Union movement, as distinguished from the political, are deeply anxious to secure for their men the just reward of their labour, but they know that the reward cannot continuously exceed the value of the articles produced, nor can these values be determined during street riots or hooligan outbreaks.

The six-hour day may be an economic possibility, but at present there are no facts from which men can draw satisfactory conclusions. Such facts can only accrue from experience, and meanwhile, there remains the one great fact that wages must be paid out of production. If six hours will not provide sufficient to pay wages, wages will be cut down, or more hours will be worked. It sounds brutal, but it is sheer economic fact.

It may be exciting to rush history, but it is mostly dangerous and always expensive.

Idleness does not beget happiness, nor is work necessarily irksome, or injurious to health or morality. A man may provide for his own daily needs in less than six hours, but he has duties towards his family and towards that human residuum which, through age or bodily infirmity, cannot provide for itself. He must also make provision against sickness, accidents, famine and the family difficulties that too often follow the death of the mainstay.

The formula, "to everyone according to his needs" is an impossibility apart from its corollary, "from everyone according to his capacities."

How to obtain from each his maximum production is a problem of eternity rather than time. For ten thousand years autocrats, economists and sociologists have variously regarded slavery, law and selfishness as applicable incentives, but to-day the contention of the sociologist appears to be uppermost. The right to possess and accumulate provides a greater inducement to effort than does knowledge of law or fear of punishment. The tendency (transient, of course) to appropriate for communal uses the fruits of individual efforts, has already led to dangerous slackening on the part of many capable producers. They are electing to live upon capital rather than earnings, and unless this inclination is checked, there can be no real upraising of national well-being.

The standard of living depends upon the standard of production. If the latter is low, the former cannot be high. The world abounds with proofs of the fact that the nation which produces little, enjoys little. If the miner refuses to produce coal, the poor have no fires. If the railwaymen refuse to carry goods, the poor have no food. What applies to the miner and the railwaymen, applies equally, though perhaps not so obviously, to the whole gamut of human enterprises and affairs.

Unfortunately, the continued intervention by the Government in labour affairs has changed the character of the labour struggle. This has become political instead of industrial. It is against the Government, rather than against the employer, that the present fights are waged. The employer is the excuse, not the objective, and it may require a hard hand on the snaffle to bring labour back to the sane path of economics, activity and development.

The immediate effects of all industrial disturbances which have not as their basis real economic advancement, will be higher prices for food, for clothes, and every other thing the poor use. The suffering will be accentuated by unemployment beyond anything yet experienced, for if workmen disregard contracts, the employers cannot contract to produce goods, and the merchants cannot contract to sell them, either in Britain or overseas.

This is as certain as that night follows day. Apart from honest and continuous endeavour and from honour in bargaining, there can be no confidence, no enterprise; commerce will stagnate, employment will fail, and women and children will starve.

In the preceding pages much has been said about the need for the worker to give value for wages, and it is now necessary to ask, "Has Capital done all it can, and ought to do, for Labour?"

For all time, capital has, in its own opinion, fulfilled its duty when it has paid the highest wages labour could secure by individual or collective demand. The conditions under which men have lived, the standard of their education, the measure of their daily anxieties, the depth of their suffering when old age overtook them, these were not the concern of capital.

There have been exceptions, but until recently, these were only sufficient to emphasise the rule.

War was the precipitating influence, rather than the cause, of present industrial troubles. War threw lurid lights on the situation; it awoke dormant sensibilities and aspirations. War set up a new caste, those who, by courage, physique, and intelligence, could accomplish things. Under the old conditions, riches provided the main qualifications for social standing; now they are only of secondary importance. In the heroic ages it has always been the same; elementary capacities have counted. During the war, literally hundreds of thousands of men were promoted from the ranks because they possessed these qualities. Many of these men are now in industry, only to find that no real change has been effected; that all the old problems exist; that national substance has been frittered away, and that their handicap has been increased.

These men have been trained to smash military obstacles; they may want to smash the obstacles and restraints imposed by parties and Governments.

The industrial and commercial problems of to-day are too great for anything but collaborated effort. Those who produce and those who direct have joint responsibilities. If men would seek to deal with labour, they must get to know it. Sentiment has been outraged—and sentiment will fight. Every slum, every premature death, every illiterate, every thrifty soul whose wages were too low to enable him to avoid indigence, every housewife whose income is relatively less than before the war, will struggle against the conditions that did obtain, and that do obtain.

Are we going to oppose these struggles, or are we going to assist them? Are we going to drive sheep, or to lead men?

If we want to lead men, we must intelligently interest them. They must see a common objective as well as their employers' point of departure.

It is claimed that the socialisation of everything will enable shorter hours to be worked and higher wages to be paid. To advance this theory is to ignore all history since Moses, and all experiences of the past six years. During the war, Britain was under a socialistic Government in the sense that the Government controlled the land, the mines, the railways, and other means of production and distribution. It is perhaps justifiable to say that during this period, not a soul in Great Britain, apart from the official souls, has been satisfied with the efforts of the Government. People had to purchase what they were permitted to purchase, and pay the prices fixed by Departments which were not always successful in estimating values.

It is fair to say that no grade of society was prepared for the war or for the circumstances which followed. The churches were less concerned with the here than with the hereafter. Their ignorance of life and death led them, and leads them, to philander round phrases, and to seek salvation in the dogmatic utterances of men, who, in spite of cheaply achieved notoriety, are little more experienced in economic law and fact than are those who fill high places in the churches.

It became fashionable to talk of the "fog of war." That was clarity compared with the fog which has followed war. Everywhere men are seeking to discover *ersatz* solutions instead of those which history and natural law alike suggest. So fanatical has become the advocacy of *ersatz* apostles that anyone who suggests the less ornamental, but more effective, remedy of work, is called a traitor to his class.

It is asserted that the Government found eight millions per day for the war, and that it can continue providing for the circumstances that follow the war. The fact that the Government did not find the money, but borrowed it, does not appear to have any weight, nor does the further fact that you cannot borrow without credit, and that Britain's credit is so bad in America that we can only get less than four dollars to the pound instead of a normal five, while in Holland, it is something like 18|- instead of 20|-.

If all men would sit down and write out what it is that they really want; if they would also write out how they hope to attain their desire, and whether what they want is right and free from infringement of the rights of other men, we should have gone a long way towards achieving success. If all men would realise that value is the whole basis of industry; that nothing can be taken unless an equivalent is given, half the ideas that create strikes and disturbances would be killed instantly, and the other half would cease to influence.

In our younger days we were taught that there is no royal road to success. The writers of the copybook headings were wise men. If we would realise that in industry and commerce the road is generally difficult, and can only be traversed by those who have strength and will power, and who are not afraid of the burdens that accumulate as they pass along, then we may hope for success.

CHAPTER VIII

WAGES AND METHODS

THAT war would disturb men's minds and judgments was to be expected. Very few, however, expected the aftermath to be so serious, or that men would so completely mistake the shadow for the substance.

One wonders whether the war is responsible altogether for men's failure to estimate correctly both material and moral values. For two hundred years, Britain has been violently involved in, and with industry, and for fifty years, she has enjoyed whatever advantages may be derived from a compulsory system of education. If men make mistakes in reasoning and judgment, much of the blame must rest on the shoulders of employers, who callously disregarded the human material they had to deal with, and upon the system which gave the schoolmaster his timetables and schedules and inspiration. Perhaps, in these latter years, we have been altogether wrong in our conceptions of life and education, and instead of devoting most, or all, of our time towards the cult of commercialism and the development of intellectuality, we ought to have concentrated our attention on improving physique and character and the capacity for right thinking.

Unfortunately for the individual, and for the nation, education has been too often the sport of religious fanatics and of political parties. Each has subordinated the interests of the child to the success of its own particular schemes. Some of the parties and factions have been perfectly honest in their opinions. They have believed that their methods were right, but the results, as one views them to-day, are unsatisfactory and disconcerting.

If all men knew what was right, and were imbued with the desire to do right, social and political problems would solve themselves with a minimum of suffering and a minimum of bitterness. Men would be able to distinguish the substance from the shadow, and the real from the unreal. The objective of all men's studies would be truth and fact—because they would know for a certainty that only upon truth and fact can happiness be based and communities exist.

All the mistakes made in Britain have their counterparts in other countries. It is common to hear people express their sense of thankfulness for this commonality of error. This is a mistake. To extend sorrow and trouble does not necessarily relieve anybody, and it would be much better if we were in a position to rejoice in the possession of wisdom and in the knowledge that all nations were with us and were moving definitely in the direction of conclusions based upon understanding and righteousness.

Each country is demanding higher standards of existence, and if each country understood what was right, higher standards might at once be brought nearer. Unhappily, too many men expect to achieve this higher standard without personal effort.

Thinking over these matters very long and very carefully, has led to the conclusion that there can be no definite advancement in material well-being unless the value of all work performed is ascertained, and all workers paid according to the value of the product of their labours. I am quite aware that this would mean something very different to the general demand of to-day, which is for equal payment to all, irrespective of the character or value of the work performed. Under this system of payment by results, three men engaged on the same task, and working the same length of time, might be very differently rewarded. Owing to natural aptitude or skill, one man, in a given time, might produce three, four or five units of value as against the other men's one.

However much modern thought may criticise such a method of rewarding labour, it is obvious that the advantages to the community would be greater than those accruing under a system which encourages "ca' canny," and which leads the mass of men to expect rewards according to their requirements, rather than their services. There can be no greater delusion than the one which implies—by action, if not in actual words—that the inefficient can be equally rewarded without the efficient suffering. If men want to enjoy greater happiness, they will have to put forward more intelligent effort. All the talking from Westminster to Glasgow cannot disprove this contention, nor increase the weight or value of corn, nor accelerate the revolutions at which a machine may be driven, nor place the slates on the roof of a single house.

Vague allusions to inefficient methods of distribution confuse without resolving the problem. It is indeed absurd to expect a happy evolution of conditions by merely changing the method of distribution. Commodities must be produced before the distributor gets a chance of showing his skill. Questions of fairness or unfairness in distribution are of profound importance, but they are secondary in importance to the need for production.

Those who imagine that they can successfully reverse the order in which these two functions must be performed are indeed chasing shadows.

Britain's position in the world depends mainly in her external trade. The comfort and well-being of many millions is determined by the buyer in foreign markets. The quantity of manufactured goods sold, and the amounts paid for these goods, determine the standard of living and the real wages of the people. Wage systems which offer relatively the highest rewards for the lowest standards of efficiency, or fiscal arrangements which affect the flow of external trade, are of profound importance.

Some who are discussing trade, hope to improve it by imposing arbitrary restrictions upon it; they propose to limit trade with alien countries; they hope always to maintain national existence upon internal effort and resources.

Even a cursory glance at these proposals suggests that, in addition to untoward results at home, they might create unhappy situations abroad, and furnish perpetual bases for international quarrels.

Is it wise to trail the commercial coat in the dust, and constantly to invite retaliation? Can we even persuade all our Allies that our efforts to restrict trade in this particular way are directed only against our late enemies? Instead of increasing restrictions on trade, import or export, would it not be better to remove those which already handicap national effort and international understanding?

Our coinage and our systems of weights and measures are a source of wonder to our friends and of cynical amusement to our enemies. No one understands them, and they could be amended without hurting any nation's feelings or interests. These weights and measures of ours cheat the home buyer and arouse the suspicion of the foreigner. It is doubtful whether, in the whole of Britain, in the Government Departments, in the schools, or anywhere else, there is a single person who knows all about the weights and measures which afflict us. Nearly every county has special standards, and who knows off-hand the difference between avoirdupois, troy and apothecaries'? How many people even know the difference in weight between a peck of potatoes and a peck of peas?

In Britain there is really no intelligible system. Instead, we have an accumulation of methods which permit the seller, who has studied his own particular little lot, to trade unfairly with the buyer, who cannot hope to acquire an intimate knowledge of all the methods of swindling him. All these confusions and difficulties affect trade. They influence external more than internal trade. The foreign buyer might be willing to pay the price if he could find out what the price was, and what weight and measure he would be entitled to receive. He is not inclined, however, to pay the additional price of time wasted and annoyance endured over the archaic methods of a country he has no interest in beyond his business interest.

Once, in France, I was working out a long-division sum. A French friend, looking over my shoulder, said: "You English are a wonderful people. Instead of working from the left-hand top corner of a sheet of paper to the right-hand bottom corner, as you do, I should do this." He took a pencil to illustrate his point, and on that portion of the paper which I had not used, secured the result in an eighth of the time, and with a very small use of material.

It would, of course, be difficult to persuade a people so wedded to tradition and precedence as the British are, to sweep away at one stroke all the anomalies surrounding an antiquated system; but there ought to be no serious objection to making a beginning with the coinage. Already they have a unit which has world-wide recognition, and which lends itself to the decimal system. The sovereign is universally known, and it can be divided in such a manner as to meet all existing requirements.

Some favour decimalisation, with the penny as a unit, but there are trade and sentimental advantages in retaining the sovereign. If the sovereign is retained in its exact form, the other coins, providing they make all the combinations necessary, are of less importance than the adoption of the principle. Once this is in operation, a very few years would suggest all the alteration necessary to meet common convenience.

Those who oppose the decimal system, say, amongst other things, that it would confuse workmen and cause them difficulty in fixing or calculating their wages. Such a contention is an insult to working-class intelligence and capacity. The many thousands who have seen service in France, or in the Balkans, or in Italy, must already be familiar with this system. It is, indeed, even now common to hear sailors and soldiers talking of francs and centimes, or kilometres and kilogrammes, and one can frequently see that they think in these terms. Any person who has travelled knows how easy it is to handle and estimate coinage based upon the decimal system.

There are trades which pay for piece work in very small fractions of a penny, but on Saturday the workman is paid in pounds and shillings, and not in sixty-fourths. If he is intelligent enough to reduce his sixty-fourths to pence and shillings, he would surely find no difficulty in dividing by ten.

The Lancashire cotton market has already thrown over the sixty-fourth, and now the points up and down represent hundredths. Lancashire presumably got tired of the struggle to harmonise the buyer's measure of value with the seller's, and saved herself trouble by adopting an instalment of an easier plan. Engineers are everywhere duplicating the English and the metric systems. Some of the Colonies already use decimals, and others are not inclined to wait much longer for Great Britain's decision. It will be very awkward indeed if, in Colonial business, the Colonies operate one system and the mother country another.

There may never come so favourable a time for the change as at present. The war has upset most conceptions of value; men who have served abroad have acquired practical knowledge of the system which is advocated; business relationships have been transformed; and the adoption of the decimal system now would cause less disturbance than might be caused at some future date. To hesitate is to be unready to meet the great need for industrial and commercial readjustment, and it is not in the interests of British trade that, in this particular matter, Britain should remain quiescent.

CHAPTER IX

HOUSING

THE facts of the Housing Problem are obvious. The reasons which underlie the fact remain obscured, partly because of the British tendency to evade, rather than to investigate, and partly because politicians, having made mistakes, are unable, or afraid, to attempt admission and rectification.

The position is so intolerable, however, that neither national tendencies nor political susceptibilities can be long considered. Platitudes and promises and confiscatory theories fail to satisfy the returned soldier seeking shelter, or the maternal instincts of the woman who demands a home for herself and the children she expects.

Why is there a shortage of houses? The more frequently we ask ourselves and our political representatives this question, and the more fearlessly we face and investigate the answer, the sooner shall we escape from our present deplorable position.

Thirty years ago there was no serious shortage. Supply kept pace, at least approximately, with demand. There were, indeed, thousands of houses to let in different parts of the country at rents ranging between three and six shillings per week. What has happened? Why have tenants been offering premiums to landlords, instead of landlords offering inducements to tenants? Has there been any wholesale destruction of houses, or any extraordinary increases in the numbers of the people, or have social and economic or political factors, separately or together, conspired to place a considerable portion of the community in the position of the Son of Man, who "had not where to lay His head"?

In Britain there has been no such destruction of houses as France and some other theatres of war suffered, nor has there been any increase of population beyond the ratios obtaining during the previous hundred years. There has, admittedly, been a desire for better houses, and a constant effort to secure the demolition of houses of the back-to-back type, but this has always been capable of regulation. It becomes necessary, therefore, to look elsewhere for causes of shortage and growing costs of provision.

There can be no intention anywhere of criticising in a deprecatory fashion the desire for better houses. It is commendable from every point of view. Indeed, it is necessary to possess better houses if the physical efficiency of the race is to be maintained, and under the conditions which obtained thirty years ago, it would have been possible to meet the desire for improvement with very small additions to rents. One shilling per week would have admitted the provision of a convenient bathroom. Another shilling would have provided a better fitted kitchen and an extra bedroom. To-day, from ten shillings to one pound or more must be added if such additional accommodation is supplied.

It has been said that private enterprise has failed. Would it not be more accurate to say that private enterprise has been choked by the politicians who believe that old methods must be discredited before their own theories can be permitted to reach the experimental stages.

At one time it was suggested that the land question was at the bottom of the housing situation, and because the public believed this they accepted the proposal, tax land values.

Cost of land was not the serious obstacle to the provision of houses that many people imagined. In many provincial areas, having fairly large industrial populations, the primary land cost need not have been more than £20 per house, and this for houses which met the needs of the people and satisfied hygienic conditions. In this connection it should be remembered that garden city theories do not meet with universal approval, and are not necessarily more healthy than the towns that are more compactly planned. To be near one's work is the desirable thing for most men, and it is not uncommon to hear workmen condemn in unmeasured terms schemes which involve long and tiresome and costly journeys between the home and the workshop. It is the time consumed in these journeys, and their money cost, that lies behind many expressions of discontent. The expenses attending the application of the garden city plan are not confined to transit. Meals bought away from home deplete the family exchequer, and where the contributions to this have to be earned, every extraneous demand is of grave importance. To get home for meals and a good wash is the desire of most workmen. It is the housewife's desire also. She knows that it is not altogether a good thing for a man to acquire the habit of feeding himself, and of satisfying other social needs away from his own home.

Those who have aimed at making pictures rather than at satisfying needs have incurred grave responsibilities, and their attempts to place the burden of these responsibilities upon land costs, and land laws, have intensified rather than diminished the complexities of the situation.

The Act of 1909 was declared to be one of the things that would free land and increase the possibilities of building. It has done nothing of the kind. Up to the enquiry which led to its emasculation, this tax produced £4,100,000 at a cost of £4,600,000. It had altogether failed to meet the intentions of its sponsor, and it has been a potent factor in destroying that confidence without which houses cannot be built.

Legislation in advance of possibility has led to increases in the rates until it is not unusual for these to be doubled, and instead of investors being anxious to build small houses, they are now lending their money to the Government, which is wasting many thousands of pounds upon experiments and subsidies which might have gone far to relieve the congestions that exist.

To the student who is not handicapped by political prejudices, it seems that the simplest way out of the difficulty would be to let the investor feel once again that there was a safe percentage of interest on his money if he put it into small houses. It would be cheaper and more expeditious than the amplification of expensive Government Departments. Already Commissions and Committees of Inquiry and the Departments handling these matters must have cost the country many millions of pounds, and so far they can show very little indeed for their expenditure.

It is necessary, also, to face the problems arising out of increased wages and decreased production. The Labour Chairman of an Urban Council, charged with the carrying out of a building scheme, has found himself faced with the fact that a yard of brickwork, which formerly cost 3*s.* 6*d.*, now costs four times that amount. A small Urban Council which has advertised for tenders for the erection of twenty-four cottages which were to be built within a quarter of a mile of a railway station, which, in its turn, is not more than twelve miles from where bricks and cement are made, received one tender only for eight cottages out of the twenty-four. The builder, the only man who ventured to tender at all, refused to accept responsibility for more. The price tendered was £1,250 per cottage, with the proviso that, in the event of labour troubles, higher wages, or higher prices of materials, the local authority should pay the additional charges!

The economic rent of houses built at this cost, on money borrowed at six per cent., cannot be less than £75 per year, plus rates and taxes and depreciation. Workmen whose wages are governed by the conditions of export trade cannot pay rentals of this kind. The theorist lightly sets aside this difficulty by demanding that the State or the Municipality shall find the balance. In effect, this means that the old houses will bear the difference between the actual rent and the rent that ought to be charged on the new houses.

Economic rent can be recovered only if houses are economically built. None of the houses evolved by the Government can ever be let at rents which the workpeople can afford to pay out of wages. Those who, in Whitehall, plan and muddle, those who, outside Whitehall, plead for subsidies before they can build, and the workman who, while demanding the best in the way of wages and of housing accommodation, fails to give of his best when on building work, are all standing in the way of the common good. Some of those concerned with building are inept; some are actually dishonest. In either case, the public debt is increased and the demand for houses remains unsatisfied.

If the money spent on Departments and Inquiries had been spent on building houses, there would have been happier additions to our cities, our towns, and our villages. Nothing like the number of houses promised has materialised, and the returned soldier has to derive what comfort he can from the assurance that, whilst he has no house to sleep in, the Government has really sanctioned the plans for the streets wherein his grandchildren may disport themselves.

Housing, like meat and coal, demonstrates the Government's incapacity for dealing with businesses that require personal initiative, rapid movement, and economic administration. Throughout the whole muddle the Government has acted like the charlatan at the village fair. It has given or promised palliatives that have no restorative effect on the patient, who is represented in this instance by the whole of the community. When it has muddled a little longer, and involved the State in further extraordinary expense, the Government may hark back to causes, and may even develop the courage to advise the removal of some of them, rather than to continue the present unsatisfactory floundering about after uneconomic remedies.

Meanwhile, small houses are liabilities rather than assets. There are thousands of women and elderly men who, by their own thrift or the thrift of those who loved them, have become owners of small property, and who would to-day gladly get rid of those properties if it would be possible to sell them at a price approximating to their original cost.

The very fact that these poor folk are unable to sell their properties and relieve themselves of State-imposed liabilities demonstrates the need for thorough investigation and for decisions that are taken in the interest of the people rather than at the instance of political theorists.

CHAPTER X

EDUCATION

STROLLING down the Boulevard St. Germain, I first made acquaintance with the statue of Danton. Camélinat, one-time Communist Minister of the Mint, was my companion. Together we read the inscription culled from the poet's own words:

> *"Après le pain l'education*
> *Est le premier besoin du peuple."*

After bread? Are we to-day really putting education after, or is the tendency of the times to reverse the logical sequence of effort and to put it before bread?

A recent glance at the education programme and the Estimates, and a comparison of these with the Exchequer requirements, made me wonder. Can we, under existing circumstances, afford, not merely the cash expenditure, but also the loss of productive capacity which the programme of the National Union of Teachers and the Minister of Education involves?

Are we putting education after bread?

It is a dreadful thing to limit opportunities for education, but are we really offering equal opportunities or are we trying to compel equal attainments?

Have we forgotten the camel and the needle's eye? If we have it might be wise to revive the story, and to present it in slightly different form by asserting that it is easier for a sinner to enter heaven than for all children to pass through the same educational aperture.

Education may permissibly become an obsession with the Ministry in Whitehall. It may permissibly become a business with the National Union of Teachers. It most certainly ought to become a business with the people of Britain. They have the right to know the nature and the extent of the aims of those who put forward policies and carry legislation; they have the right to know what the policies cost in terms of taxes, and how far they will adversely influence the income and the comfort of the home. It is essential, also, to know, at least approximately, the extent to which educational facilities have been, and will be, taken advantage of. It is unfair for enthusiasts to talk of advantages to the children when they really mean positions for the official.

It can be at once admitted that thousands of those professionally interested in education are selflessly sincere. They live and think for their children. But—and the qualification applies to all professions and occupations—there are others who set the pace that will best accommodate their own interests. Whether the nation is willing or able to go that pace is sometimes a secondary concern.

The people should spend all they can afford on education. That goes without saying. But is it wise for some of the people to add to the debts of all the people by providing something that cannot be assimilated?

If the finances of the country were flourishing; if the people had a sufficiency of essentials, experiment would be both justifiable and desirable; but can anyone, laying claim to sanity, contend that the present is the time for wasting money or for unwisely continuing children at school, who, for economic and physiological reasons, might be happier in productive employment?

It is possible to ride a willing horse too hard, and it is possible to provoke reaction by ignoring facts.

There are mutterings everywhere. Some feel that, even in the profession, the mere imparting of information is mistakenly assumed to represent education. There are constant complaints, too, against systems which place manual training on too low a plane, and there is everywhere, not merely criticism of, but fear at the failure to teach citizenship and self-control. Unfortunately, examples of these failures are more common amongst those who have been at school since 1900 than they are amongst those who, at that date, had left the schools and had entered into business.

Self-education, too, has been almost superseded by extraneous and subsidised assistance, and the profession is sometimes blamed for this misfortune. What has been explored and assimilated by one's own brain continues in conscious effectiveness longer than the superimposed lesson.

Self-education is at once the cheapest and most valuable form, but to-day it has few advocates and few devotees. Perhaps it is the prodigality and inexperience with which facilities are provided that breeds indifference.

If people are too young to work before they are eighteen and too old to work after they are forty, the productive period of their lives is going to be very short as compared with their expectation of life. How ordinary folk view the situation is clearly shown by the complaint of a woman who said: "Oh, yes! Keep them at school till they are eighteen, see them married at nineteen, and find that as they marry your liabilities in respect of them increase rather than decrease—but where do father and I come in?"

It is said that education is the greatest asset that a nation can have. For the moment I am not disputing this contention, but I am constrained to regard such an asset as I should regard a boiler without a fire, or an engine without motive force. It is only part of the equipment that a man or a woman needs. Another, and a precedent part, is health, and health is dependent on bread in the first instance; and we are surrounding education with conditions that make the maintenance of the bread supply very difficult.

No one escapes the reiteration of the platitudinous assertion that the State will provide. The State really provides nothing. It merely distributes a part of what it has previously extracted from the pockets of its members, or what it has borrowed on its members' collective credit.

I have attended many education conferences, and have been charmed and sometimes interested by beautiful ideals expressed in eloquent language, but to-day I know that ideals, to be realisable, must have some association with common sense.

If the British received full value for the money they spent on education they would be the best educated people in the world. Unfortunately, the profoundly important work of training the young has been left too much in the hands of the bureaucrat and the professional. We have, in consequence, a people possessing superficial smatterings, but little love of knowledge for its own sake, a people who know little about themselves or the facts that govern life.

This is a grave disadvantage, because a people trained in the study of their own physical and mental capacities, and with reasonably clear ideas concerning the factors that govern their social and political existences, must take precedence over the nations less efficiently trained.

Existence is governed by laws we do not make, and cannot amend, and which we only imperfectly understand. We speak loosely of these laws as natural laws, but so badly do we apprehend them and their irresistibility that we often lightheartedly disregard them, and are pitifully astonished when the inevitable penalties are exacted.

The common tendency is to place blame for penalties on every set of circumstances except the right one. Generally we blame the Government for our troubles, and we create more governments to cure them. We rarely admit that most of our troubles are due to individual ignorances.

Had each of us known as much as we ought to have known about physique and mentality, there would have been no need to discourse eloquently upon the dangers of a C 3 population. Had we known as much about the laws that govern our social existences as we ought to have known, the present industrial and commercial situation would have developed less dangerously.

The masses of the people ought to have been able to differentiate between actual and nominal values; between the real and the unreal; but even amongst those who have passed through the superior schools, and who would be offended if it were suggested that they lacked education, there is a lamentable lack of knowledge or understanding concerning vital things.

What we have, we must endure. Attempts effectively to change and improve the passing generation will have disappointing results. The coming generation, however, may be helped, and there are wise men who are desirous of helping the young by first training the teachers of the young in the matters that are vital to human interests.

The pressure of after-war problems will compel the Trade Unionists and others to readjust their thoughts and ideas, and it may well be that they will begin with the schools.

During the last fifty years, changes in the methods of production, combined with competitive demands, have destroyed in almost every occupation the old-fashioned system of apprenticeship. The employer is no longer under an obligation to teach the principles and practices of trades, nor is the boy compelled to remain at one occupation for the number of years necessary to turn him into a skilled workman. It is no use bewailing the change, or assuming that it is altogether for the bad. Change, or at least movement, is essential to the continuance of things; change is prejudicial mainly when those affected by it lack the sense of appreciation and the quality of adaptability.

If in the majority of occupations the responsibility of teaching has passed from the employer, it is imperative that this responsibility should be assumed by the State through its schools.

The trained workman is an asset to the community, and upon the community should rest the burden of the cost of his training. A share of this should be placed upon the local authorities, and arrangements for training should not be permissive but obligatory. Experience proves that where schemes are wholly permissive, the advanced and patriotic authority bears an unfair share of the cost of training whereby the whole community benefits.

It is often alleged that the chief obstacles of efficient industrial training are those raised by the Trade Unions. Twenty years ago, there was some truth in this allegation; but to-day the Unions are recognising the value of the trained man, not only to the State, but to their own movement. It becomes increasingly obvious to them that the inefficient or the ill-trained are the most readily exploited. The man who is sure of himself and confident in his ability to perform the task he undertakes is in an infinitely better position than the man who is conscious of inferiority, and who is always afraid to attempt new processes.

Throughout the Trade Union movement there is, to-day, a growing unanimity in favour of raising the school age. This tendency can only be justified if the curriculum becomes less academic, and all concerned concentrate upon making the school an anteroom in which lives are prepared for the world's more strenuous and wider functions.

Up to the present, the schools of Great Britain have not become the centres of local life; yet this is just what they ought to be.

In some schools, particularly in America, where social experiments are received with greater tolerance than is accorded them here, the school has become, to a very great extent, the centre of the community; its playgrounds, its baths, its gymnasium, and even the school itself being used by the parents as well as by the children. In these schools, what is termed "vocational training" forms an integral part of the curriculum. They enlist the co-operation of the Trade Unionists, and all the trade instructors are members of their respective organisations.

In these American schools, the manual training prior to the age of 16 is largely for general educative purposes, and much of it is given in the purely elementary schools. It is desirable that this practice should be developed, or that the elementary and the secondary school should be more frequently organised under the same roof. If such were the case, many more pupils would pass through from the elementary to the secondary school. The transference from one school to another, the breaking of old associations and ideas, disturbs the child's life, and in too many cases, involves the parents in unwise, and often unnecessary, expenditure.

I have seen the struggles of the parents to provide the boy who has won his way into the secondary school (and of whom they are very proud) with the things which the Governors of the secondary schools sometimes regard as necessities—football shoes, cricket flannels, etc. These contributions for sports and games are beloved by the teacher, and without them, the boy feels very unhappy; but when they are obtained at the expense of the other children in the family, they are very undesirable.

If the relationship between the elementary and the secondary school could be closer, if the break between old associations and new ones were not so great; if the boy could occasionally come into touch with his old companions and under the influence of his old master, there would be less of the restlesness which leads him to desire immediate industrial occupation rather than secondary training.

There are many men engaged in the social movement who are giving time and thought to the administration of national education. Most of them are prepared in the truest sense to make the schools national assets. Hitherto, they have lacked the effective support of those in whose interests they have been labouring.

The competitive problems with which the country is faced are such that serious suffering and loss will result, unless the best is made of all its assets. Even those who fear the undue influence of the mere bookman, admit that the human asset is the most important of all.

The losses and extravagances of the past seven years must restrict immediate educational efforts. Only that which will assist the present and the imminent future can be attempted. Foundations will be more the national concern than superstructures, but there is no reason why the foundations should be bad. Economy and practicability must be the watchwords of those who would educate the people, but who are reluctantly compelled to put existence before adornment; bread before erudition.

As I study the programmes of to-day, and their probable cost to the community, I wonder whether Danton smiles down upon us sorrowfully or sarcastically, and I seem to hear his spirit muttering, "*Après* le pain. . . ."

CHAPTER XI

WAR AND ARMIES

THERE should no longer be any illusions concerning war. It is stupid, barbarous, illogical, and wasteful. It arrests artistic progress, impedes the development of civilisation, and destroys a very high percentage of the virile and highly moral manhood of those nations which are involved. All the advantages that militarists declare are achieved by war can be achieved by other means and with far less expenditure of effort and money, and with infinitely less suffering for the people whose homesteads are overrun and destroyed.

The figures relating to the cost of war are beyond the computation of men; it is said that the Allies in the late war spent two thousand million pounds sterling by the time the war had been in operation twelve months. These figures, stretched across a placard, look imposing and create an impression of dizziness, but never of apprehension. Even the intelligent business man failed utterly to understand what two thousand millions really meant, or what science and art and civilisation could accomplish for the world if two thousand millions were set aside for this purpose.

The ghastliness of modern war has not yet been depicted. Governments have, everywhere, hidden from the sight of the world the misery and filth and pain and terror endured by those who, having no personal animosity, are forced to maim and slay. The people may cheer the pomp and pageantry of war; the observant may see the little groups of women at the street corners, quietly crying over the letters that notify of the death or the maiming of those who are dear to them; they may shake their heads in sympathy when they look upon the groups of children who are fatherless, but they see nothing of the more horrible facts of war, or if they see, see only incompletely and as through a mist.

If they knew and understood the actual facts, together with the cost, there would be no more war in those nations which call themselves civilised, and which have any capacity for expressing the democratic will.

Militarists and their apologists frequently talk of the moral effects of war, though they seldom attempt to define their conceptions of morality as applied to war. Morality has been roughly defined as the science of right living, and when militarists exalt the war god, one is inclined to ask how they associate pillage, rapine, and murder with morality of any kind.

It has been contended that war would never again offer such examples of savagery as those which sully the pages of history. The late war has swept all such contentions aside, and has demonstrated the possibility of horror being piled upon horror even by nations who boastfully claim possession of the highest forms of modern culture.

As in the days of Atilla, unoffending villages have been razed, helpless non-combatants outraged and murdered, and artistic monuments swept to the ground in one mass of fire and destruction. No influence, not even the religious influence, has been strong enough to restrain that barbarism which war always involves.

"Sufficient unto the day is the evil thereof," and sufficient for our time is the evil wrought by one war. As in the past, so it was in the late war; so it will be in the future wars; every ideal abased, every business enterprise checked, every fraternal conception swept aside, and the world made poorer in wealth, in spirit, and in aspiration.

War is essentially the expression of ignorance and avarice, and of those who promote war, nothing but evil may be anticipated. Amongst those who actually make war, there has, however, during centuries of conflict, arisen certain standards of honour and conduct, and because their acceptance might mitigate the sufferings of neutrals and non-combatants, various Hague conventions have sought to crystallise these standards.

During the late war we had, unfortunately, to see these carefully elaborated codes and standards swept aside, sacred obligations and treaties contemptuously ignored, and a ghastly "frightfulness" increased. Fear everywhere was more acutely felt, and organised outrage, alike unreasonable and indefensible, was the natural result.

The loss of life and property does not complete the sacrifice. Dearest liberties of thought, expression, and movement are abrogated; not merely during hostilities, but afterwards and always.

Savagery and civilisation have always reacted upon each other, and will continue so to react. The higher forms of civilisation must, unfortunately, continue to defend themselves against the lower. National ambitions and the desires for territorial and industrial aggrandisement may be stupidly wicked, but they exist.

Jean Block had many adherents when he argued that war's frightfulness would end war. The museum at Lucerne, which was devoted to illustrations of war's machinery and effects, led thousands of tourists to hope that horror would be an effective deterrent. Block may be right; the adherents and tourists may be justified in their opinions—but not yet.

The war just waged excelled all other wars for destructive frightfulness and ghastly bestiality, but it did not usher in the end of world war. The moral sense of the world has yet to grow and to attain international and interracial approximation, while the power and understanding of the masses must be greater and more intelligently applied, before such a consummation can be reached.

We can never even go back—at least, not with safety—to the old army constitution and construction. Change is inevitable, increase probable. There were people who believed that at the end of the late war, formulæ would be invented which would make future war impossible. Such people ignore the teachings of history and the differing grades of contemporaneous civilisation. It is nearly 2,000 years since Christ preached peace on earth. In the light of existing and immediately proximate events, can any man say how far this preaching has been effective, and when the ideal He set up will be attained?

Even America has already translated the lessons of the late war into additions to her army and navy. The millennium may come; all men may live together as brethren; peaceful tendencies may develop in accelerating ratios, but humanity has many morasses to cross before this goal is reached.

If this be the case, if we are to retain larger armies and navies, we should now be considering their construction and control and the part to be allotted to democracy.

It is the habit of Labour, even highly organised Labour, to discuss effects rather than to anticipate them. It will rail against the bias of Capital and the ineptitude of Government Departments, but its opponents are calculating upon Labour's failure to combine its resources for the purpose of reorganising, not merely the structure, but the outlook of those Departments.

Labour, as distinguished from the political adventurers who strut upon Labour's stage, ought to disappoint its opponents by turning from interesting, but unessential, point, of demarcation and internal co-ordination to the co-ordination of its own strength and the contemplation, not of impossible ideals, but of practical utilities.

The lessons of history, the duties of citizenship, the art of government, the obligations and commitments of Empire, are subjects well within the intellectual capacity of thousands of the lower-paid inhabitants of Britain. What these thousands lack is self-confidence and educative inclination. The former will come with experience, and the latter by the wise exercise of already existing opportunities.

There is no position in the civil, the colonial, or the foreign services, or in the navy and army, to which the poorest citizen ought not to aspire. The fact that he has hitherto been excluded from the higher grades of these services offers no justification for his continued exclusion, yet to suggest that the Trade Unions should have a representative on the Army Council would probably stagger the Labour movement as much as it would shock the Army Council.

But why not? Labour, in the very nature of things, finds ninety per cent. of the blood and sinew of the army; it makes the equipment and munitions, and it is mainly responsible for the creation of those financial resources without which armies are impotent, and, with equal training, it could hardly make more mistakes than are made by the classes which have hitherto monopolised control, and if the condition of its representation was the promotion of military efficiency and *moral,* no possible harm could accrue.

It is safe to assume that the British army of the future will be larger than that little band of heroes who sought to stem the German rush through Flanders. It will probably be built on a territorial basis, and efforts will certainly be made in the future, as they have been made in the past, to introduce permanent compulsory service. Equity and policy demand alike that in this country Labour shall not only serve, but shall have opportunities of directing and leading, not only in the Territorial Forces, but at headquarters and in the field.

One of the finest soldiers in the armies of the late war was a workman's son. He was quite young, a great scholar, a good soldier and a modest gentleman, but nothing short of a miracle could place him on the Headquarters Staff. A thousand traditions and a thousand interests opposed him. No one argues that this should be, but everyone knows it is. The interests of Empire demand extraordinary changes; the competitive demands of to-morrow can only be met by the utilisation of the best brains and the most virile constitutions. An army will, at least for many generations, remain an adjunct of every sovereign state, and the British army must be organised on a basis which gives the best opportunities to the best men.

All men should serve a period in the ranks. Aptitude displayed should be noted and developed, and promotion should depend upon capacity and devotion to duty as well as upon scholastic achievements. It follows as a natural consequence that pay, at least for the lower grades, must be adequate, and the private, no matter what arm of the Service he serves with, must start with a good basic rate.

It has been said that our Expeditionary Force was little but good. None of us want a great standing army, but all of us must realise that the smaller the army, the better it must be.

Open the ranks, offer opportunities, pay a reasonable wage, give all the people a chance to participate in its construction and leadership, and it will be possible to create an army second to none, willing to fight, willing to die if need be, anyhow, at any time, and in any place, for the Homeland, for its Dominions, for its Dependencies, or for its honour.

CHAPTER XII

THE SOLDIER AND LABOUR

FROM the earliest days when nation went to war against nation, the problem of the discharged and disabled man has been growing in gravity. When most men worked on the land and were, in addition, parts of a feudal system, the problem was less intense than it is to-day, when millions of men have been withdrawn from industry to be killed, or maimed, or to find on return that the course of industry has changed, and their value, outside the army, is considerably less than it was before they took to soldiering. The Peninsular War, the Crimean War, and the South African War, each saw the accentuation of the difficulties facing the soldier who had been an industrialist. After the South African War we frequently said, "Never again." Never again would we permit the man who had fought for his country to be subjected to perpetual handicaps in the world of labour. When Germany, in 1914, plunged the whole world into war, and we in Britain endeavoured to augment our armies by voluntary means, we repeated the good resolutions and the promises that had been adopted by our fathers and grandfathers in previous wars. We said that the workman who left his job at the call of country, who offered his life that the integrity of his country might remain intact, should not suffer as his predecessors had suffered. If he sacrificed in order that the men who were too old to fight or too feeble to fight, and the women and children whose business was not to fight, should escape the horrors that accompany invasion, then all would unite to secure his future, should he be fortunate enough to return.

We loaded our patriotic speeches with references to the manner in which we ought to perform our duties to those who returned broken from the wars, and it was felt that the spiritual awakening resulting from the war would enable all national interests to unite in safeguarding the soldiers' interests. Long before the war had finished, it became evident that selfishness would predominate; that those who had remained at home, either through infirmity or because of interest, would seek to hold fast to all the advantages that unexampled opportunity and a restricted labour market had given them. Employers said: "We are exceedingly sorry for the disabled man. We think he ought to be offered every opportunity for re-association with industry; but, unfortunately, our industry is entirely unsuitable for the disabled man. He ought to go over the way, and seek employment in the workshops of our competitors."

The surprised and harassed soldier turned then to his fellow workmen, in only too many cases to be met with the same contention. "Yes, you ought to be found employment, or, if you cannot be found employment, the State must take care of you, your children, and your interests. Unfortunately, our Trade Union, or our trade, already has one or two per cent. of unemployment, and we cannot make room for you. You have our best wishes, however, and we hope some other trade, about which you know nothing, may be able to absorb you. If this is found to be impossible, we will pass resolutions demanding sustenance from Parliament."

Not everywhere has this spirit been manifested. There have been many and notable exceptions, but it is impossible to deny the tendency in some directions not to meet the position of the discharged and disabled soldier.

The assumption of the mass, that the passing of resolutions demanding support from Parliament meets the case, is entirely unjustifiable. It cannot be too clearly stated to the workman that he has got to work with the ill-trained and the disabled, or work for them. He can either assist them to employment, or he can increase his own production till it is sufficient to keep himself and the man returned from the war. Nor can it be too strongly stated to the employer that, unless he makes arrangements for employment and the payment of reasonable wages, he will have to pay additional taxes.

The problem is admittedly bristling with difficulties. It can be better solved round the conference table than on the platform. There are questions affecting the value of the labour that the disabled can give; the extent to which the pension may affect wages; the extent to which the inclusion of the disabled may reduce the collective value of output; and the additional liability that may fall upon the employer in respect of sickness and accident.

Up to the present, there has been no decision as to whether the pension given to a soldier is given in respect of services rendered, or in respect of liabilities incurred. If it has been given in respect of services already rendered, there can be no taking it into consideration when estimating wages. If, on the other hand, it is given in respect of disabilities incurred, then it may be argued that the pension should be taken into consideration when attempts are being made to determine the wage value of the disabled.

If the country was rolling in wealth, if its standards of production had developed instead of deteriorated as a consequence of the war, if the Chancellor of the Exchequer found no difficulty in making the national income meet the national expenditure, the whole matter could be dismissed lightly; but in face of the circumstances that exist, it may be necessary for the soldier to remember that he is also a citizen, and that whatever tends to overweight or disrupt the Empire, tends to destroy his chances of getting any recompense at all. From a bankrupt nation he can obtain neither employment nor pension. Rhetoric will not solve his problem.

Hard—very hard—and unpleasant facts may have to be faced.

The Government, struggling with difficulties, burdened by promises, made probably in perfect good faith, has endeavoured to meet the situation. First it hoped, as every decent man and woman hoped, that mutual arrangements between associations of employers and associations of employed would themselves seek the industrial salvation of the demobilised and the disabled. When many derelicts were left, it was compelled to move, but it is difficult to see how the Government itself can solve the problem. It will not be easy to give effect to any regulations it may make, because some occupations lend themselves to absorption, others do not. Some groups have distinguished themselves by generosity, others by selfishness. It will be hard to force men into unsatisfactory occupations, or to further impinge on the good will of those who have already tried to do their duty in this matter.

However great the difficulty, it must be overcome. The men have taken the risks; the vast majority of them are really decent fellows, who prefer to earn their corn. They hate anything in the shape of pauperism, and they don't differentiate between the pauperism of the Board of Guardians and the pauperism of the Labour Exchange. They would like to work, not only because work would enable them to keep themselves and to maintain their self-respect and dignity, but because it is impossible to be happy without work of some sort.

In employment they may forget, or at least remember with less poignancy, malformation and disfigurement that so many of them suffer.

Is it too late for this task of honour to be performed without the compulsion of the State? Is it too late to avoid the inclusion, amongst other burdens, of the inefficiency and expense of a State Department for the control of the employment of the disabled?

For my own part, I would a thousand times rather that Capital and Labour should frankly shoulder the debt they owe, and seek themselves to liquidate it, without the compulsion of the State, for the State's methods are always costly, and too frequently they are also demoralising.

Just as the soldier looked towards the time when his life would no longer be controlled by the King's Regulations, the civilian is looking for the restoration of those civil liberties which he never properly appreciated till they were seriously circumscribed.

During the war the State, of necessity, invaded the spheres of life which, in normal times, are rightly regarded as being outside its functions. It exercised the right, when threatened by grave military danger, to use and sacrifice the lives of its members. It laid its iron hand upon those who remained in civil occupations, directing them hither and thither, often against their real inclinations, in the hope of extracting maximum production. Employers were compelled to close, curtail or reorganise their respective businesses, while workpeople were compelled to register at exchanges they detested, to work at specified tasks in specified localities, and for specified employers.

During a crisis like the nation was then passing through, only a fool or a traitor would make much ado about measures taken for the national safety or defence. Any attempt, however, to perpetuate such a control of human effort and affairs, and to continue such restrictions of liberty after the war, will be resisted, and men who supported whatever the Government did in a time of common danger will be found leading common upheavals against bureaucratic control.

Social science is not, like mathematics, an exact science. The deepest student may find the most carefully calculated prediction incontinently upset; but amongst a nation so temperamentally individualistic as the British, he may safely count upon most violent reactions from bureaucracy.

During the war the State interfered extensively with Labour. The result has been to transfer Labour antagonism from the Capitalist to the State. Strikes, which in pre-war days were purely anti-Capital, have now become anti-Government. The State, having partially superseded the private employer, Labour, when it fights, must perforce fight with the State, until all things are once more normal. The ultimate and logical outcome of such a situation is too obvious to need statement.

The world hardly appreciated the extent of the State's incursions into the affairs of labour, or the vitiating effects of these incursions on the spirit and power of the Trade Unions. The State professes to provide situations for the unemployed; to supply sickness and medical benefits; usually at a cost many times greater than that of the Unions handling similar business; it pays unemployment benefit; it also intervenes in disputes and fixes wages.

What is there left for the Unions to do? Why should any man belong to one which advertises its intention to proceed on the old non-political and non-religious lines? Why should he pay contributions to provide service and benefits which the State offers for nothing? Why should he be bound by rules and agreements, or follow any Trade Union leader, if his interests or inclinations, or some self-seeking politician suggests other courses? Why, indeed?

As with Trade Unions, so it was with those who directed industry or commerce. So long as the Government orders and controls the Government also pays, and pays in cash and destroyed initiative. During the war, the costliness of operations was lost sight of in the multitude of other considerations. To-day it has become obvious, and the fight for economy and efficiency is sometimes obscuring the national duty to the returned soldiers.

It is unreasonable to expect the highest and greatest successes in businesses controlled or adjusted by Government. They are much more likely to be found in concerns where the losses fall on those who make mistakes. If the head of a private business errs in judgment or in action, the penalty falls upon himself or upon his shareholders. If an executive officer of a business run by the State makes a mistake, the State pays and the officer continues to qualify for his pension.

There is, as a matter of experience and necessity, less initiative and enterprise in Government concerns than in private ones. The former is tempted to wait for political measures; it is the safer course. The latter must anticipate and act in order to succeed against the world's competition.

When the war ended, Great Britain was one nation amongst many whose wits and practices had been sharpened by grim circumstance. All the nations were faced with the need for production and facile exchange. The least adaptable was in danger of suffering most. In such a situation, it was essential that the industrial and commercial enterprise of the British should have the freest possible scope. Governments can create commercial opportunities, but they invite jobbery and failure when they seek to exploit them.

Difficulty and complexity must not appal those who are determined to set Britain free of her obligations to her ex-service men and the bureaucratic control of her affairs. The disabled must be assisted to maintain themselves, and the able demobilised must be allowed to share whatever employment they are fitted for. Industry and commerce and men must get free of Government interference, if the people are to recover balanced conceptions concerning obligations and wages and profits and national prosperity.

CHAPTER XIII

SYNDICALISM

TO-DAY, it is difficult for even the initiated to discover the operative differences between trade unionism, syndicalism, communism and socialism. The revolutionary alchemist has been at work, but instead of transmuting the baser into the finer, he has adopted exactly the opposite policy. Some men profess adherence to all four forms of social activity, and associate themselves with the propaganda of each group, and that, despite the impossibility of finding agreement between fundamental factors.

Trade Unionism itself is a phase of capitalism. Together they stand or fall, as parts of the same system. The end of the capitalist involves the end of the trade unionist. The latter has no probability of existence if the former dies. Trade Unionism came into existence to remedy the evils of capitalism, and if capitalism is destroyed, there will be no more incidental evils to remedy, and no trade unions will be needed. The revolutionary government of Russia has, apparently, accepted the logic of this contention, for it has treated the real trade unionist almost as savagely as it treated the capitalist. The moment trade unionists begin to reason logically, they will discover how fundamentally they differ from the other "isms," particularly syndicalism.

Socialism, at least in theory, stands for the State, and subordinates the rights of individuals to those of the community. It would, again in theory, provide work for all and compel all to work, not for the pleasure or the profit of the worker himself, but for the benefit of the State.

Syndicalism differs from both, and may be described as the "All for us" movement as applied to production. The workers in given industries are to own and control the sources, the materials, the tools, the products, the distribution, the profits and the losses. Not for the common good, be it marked, but for the particular good of those engaged in the particular occupation. The mines for the miners; the railways for the railwaymen; the bricks for the brickmakers, and the beer for the brewers, are superficially attractive contentions. Materialised and put into practice, these contentions would effect results in which the absurd and the tragic struggle for predominance.

Syndicalism, as generally advocated, implies the right of the individual or the group to cease work at any time, or under any circumstances, and at any cost to the individual, the trade union, or the community. It has been hailed as the new gospel and the source and realisation of social salvation. Its devotees openly advocate sabotage, or the destruction of working tools, raw materials, private property and commercial opportunities. There is nothing new about its conceptions or about the methods of its present-day adherents. Its main weapon, sabotage, was once called rattening. Rattening, which was rampant in Britain about a hundred years ago, differed from sabotage in that it had no consciously political objective. It was discarded by our great-grandfathers because they found it to be more expensive and less effective than other and more intelligent forms of trade union activity. The concession of the right to combine, together with the removal of many legal disabilities, opened up new and better ways, and the complete reversion to obsolete localism which sabotage and syndicalism embody, has become impossible in communities which do any thinking.

It is claimed that syndicalism would remove every social disability, and it proposes to achieve this result by temporarily disregarding human needs and by utterly disregarding industrial contracts and by promoting strikes. Whether these strikes are of long or short duration is of minor importance. The desirable thing, from the point of view of their organisers, is to make them general, and to arrest, or at least endanger, anything in the shape of continuous industrial enterprise. They rely for the success of their strike activity at worst upon fear, and at best upon aimless and irresponsible enthusiasm. The last thing these wild men give credit to, is experienced sagacity.

Contracts, industrial or otherwise, impose obligations, embody advantages and disadvantages, privileges and duties. The obligations involved are supposed to be mutual and equal, but admittedly they are not necessarily so, and where the balance of mutuality is not equal, or where conditions of unanticipated irksomeness develop, there always arises the question of whether the contract should be completed or fully observed, or whether some modification should be sought. To preach disregard of all industrial contracts and agreements is, however, to preach very dangerous doctrine and to call down upon the general population consequences—dissimilar in character perhaps, but fully as evil—as those involved even in the keeping of the bad bargains.

Disregard of agreements must, of necessity, cause loss of confidence and credit. It should never be forgotten that Britain depends for her safety upon confidence and credit, as well as upon her Navy and Army. Any dislocation of her industry must react upon her credit by compelling her to exchange securities held in other countries for commodities which, apart from industrial dislocation, she could produce for herself. Confidence and credit are primary factors, without which organised production and commerce are impossible. Disregard of industrial agreements *must* tend to increase the ratio of unemployment, and accentuate the possibility of ultimate industrial and commercial disaster.

Ethical considerations may sometimes demand the repudiation of agreements; for example, where one side has benefited by gross misrepresentation of facts; but political exigencies, individual prejudices, or local irritability, never offer sufficient reason for anything so drastic, or so certain to injure working class interests.

Syndicalists are contradictory, as well as futile. While they demand freedom for the individual or for the group to strike, without reference to the general interest, and declaim against central control, they insistently preach the general strike. No man experienced in industrial conditions would like to insist that under all circumstances the general strike was anathema. Occasions may arise when a complete stoppage offers the only means of righting great wrongs, or of avoiding great evils. But even in great crises, a general strike ought only to be undertaken after all other methods have failed, after all facts have been ascertained, all interests consulted and unified, and all chances and consequences carefully calculated. To suggest that action modifying the trend and operation of economic factors, violently disturbing the normal expectations of industry, and involving millions in immediate unemployment should be undertaken with the rapidity which is typified by the word lightning, and dependent upon the will of a single individual or of a group like the Council of Action, is monstrous and foreign to every principle of business and democracy.

The strike weapon has always been in the hands of the trade unionist and has been regarded as a legitimate weapon. The syndicalist strike is, however, outside and beyond ordinary trade union principles. The difference between the two affects both conception and objective. Strikes entered upon by trade unionists acting as such, presuppose the ultimate resumption of work in the industry, and under the existing conditions of manufacture and trading. At the back of every syndicalist strike there lies the determination to change the foundation upon which business is based, and to substitute occupational for individual incentives. Under syndicalism, the unions would own everything belonging to their own trades, including the trade unionists. The latter would own nothing beyond the privilege of working for the union and the possibility of sharing whatever results accrued from its bargains with other unions. Since the trade unions exist to protect the workers' trade interests, it logically follows that all attempts to overthrow the industrial system upon which trade and trade unionism is based, are alien and inimical.

Strikes become alien to trade unionism when they divorce wages questions from considerations of market power, *i. e.* the power to pay wages, which comes from the power to sell produce; when they discount the possibility of the resumption of work by encouraging the burning of factories, or the flooding of mines, or other forms of material damage; when they manifest no conception of, or provision for, the general rights of workers who are not syndicalists. The destruction of a basic industry like that of coal offers an example of what is meant, for this must carry with it the destruction of dependent industries such as steel, iron, tinplates, and the other mechanically powered occupations upon which millions of British workers depend for bread.

Labour, at least in Britain, is not yet sufficiently organised to warrant optimistic conclusions concerning even the possibility, let alone the results, of a general strike precipitated by syndicalists. Even if the contrary in respect of organisation was true, if every man and every woman eligible to join the trade union movement took up membership, if all units were brought together and brigaded, if financial resources were sufficient and accessible, if all jealousies were overcome and central direction accepted, then, paradoxical as it may seem, everything obtainable through syndicalism and the general strike could be independently obtained. Success in industrial movements may be achieved, but success is for the army with captains, and not for the leaderless mob, and lasting success is achieved only after thoughtful and continuous preparation and effort and appreciation of the real capacity of the forces it is proposed to embroil.

The trade union movement ought to interrogate the syndicalists whose folly and criminality are bringing Britain to the edge of that slope which leads to industrial and political destruction. It ought to know the position of the syndicalists and the destination towards which they really travel. Promises and programmes ought no longer to suffice. The trade union movement ought to know whether it is fighting for the economic advancement of its units; whether it is resisting attacks upon rights and principles, or whether it is being used and abused by irresponsible revolutionaries of the middle class; whether its future will be based upon a system which, imperfect though it is, offers opportunities, incentives and elasticity, or whether it will experiment with a system which actually begins by locking occupations in separate departments and claiming for each department primary and exclusive ownership of all it handles or produces.

CHAPTER XIV

COMMUNISM IN RUSSIA AND BRITAIN

THE Communist, whether he resides in Moscow or Glasgow, seldom sees beyond the little circle of his friends and sympathisers. What appears to be possible to the minds within the sphere of his personal association, appears to be possible in every country and amongst every type of people. He never realises that theory and practice are two different things; nor does he realise that theory, which might be applied in some parts of the world with comparative success, would only result in tragic catastrophe were it put into operation somewhere else.

Moscow is to-day the Mecca of the Communist. Always he turns his eyes towards this political holy of holies, and always reverently accepts the crude "obiter dicta" of the cruel and ill-formed autocrats who to-day dominate Russia.

Perhaps Russia offered the best testing ground in the world for renewed experiments in Communism. Ninety per cent. of the people lived upon the land, and even before the war they were more or less self-contained and self-supporting. Unhappily, they were also mainly illiterate, and, being temperamentally prone to adopt flamboyant ideas, they were easily influenced by Communist propaganda, which here possessed a better chance of achieving success than in any other nation.

Behind the fact that they were almost equally independent of import and export trade, there lay the political incentive of centuries of autocratic and scandalous government. The people were indeed ripe for change, yet in spite of all the territorial and economic and political advantages which the Russian Communists had, their efforts have resulted in widespread misery, in death, and in gigantic political failure.

Not long ago, I discussed the situation with an Englishman whose life had been spent in Russia in the conduct of a business founded there by his grandfather. When the original revolution took place, the factories were in excellent working order; the people were reasonably treated, and out of their earnings managed to maintain an existence in decency and comparative comfort. To-day, after four years' control by the Communists, the factories that were prosperous are falling to pieces and the machinery is rotting with rust. A business which has taken three generations of individual effort to build up has been destroyed by the Communists in three years.

This is a very serious matter for Russia, but, being agricultural rather than industrial, her people can, with some facility, turn their hands to occupations which will at least bring them bread. In Britain, the similar destruction of industry would have far more serious consequences. Even if the people were able to turn themselves to the land, the land is not there in sufficient quantities. They must, therefore, trade, or emigrate, or die.

In this Elysium of the Communists, there are millions of secret police, public and private informers, functionaries and State officials, who have to be paid or supported by the men who work on the land or in the factories. The peasant does not sell his produce; it is taken by force, and he is given in return paper money of such little value that he does not trouble to count it; he weighs it, and tells you its value in pounds avoirdupois, instead of pounds sterling.

The term Communist, as applied to the present governors of Russia, hardly conveys to British minds correct impressions of the characters of the men who have driven that unhappy country through the revolutionary flames. There is no comparison between their present and immediately past practices and the ideal conceptions attributed to them. Terrorist is the more apposite phrase than Communist. At once they are the slaves of their own mad passions and of theorists that are impossible and untenable. They have arrogated to themselves the right to govern consequences and to dictate to all men, even in matters of life and death. They claim to be the progenitors of the perfect State and advocates of the world's peace, yet they have organised cosmopolitan armies and used these armies to spread by force the doctrines of destruction.

Many there are, indeed, who had no desire for the perpetuation of the excesses which have horrified the world. They would have stopped short of the grosser outrages, if not from motives of humanity, at least from motives of policy. They made, however, the mistake that all revolutionaries make; they forgot that it is easier to create a terrestrial hell than it is to limit its area or to control its activities. Murder and rapine did, in fact, become too ghastly for the Slav, and his terrorist directors were therefore constrained to employ the blackguards from other countries.

Russia herself offers too limited a field for the activities of her particular brand of Communist, and many of them have avowed their intention to spread their terror over all the earth.

The theory of Communism is not new. It has been enunciated many times, and under many circumstances, and always it has been found wanting. It fails as all similar "isms" fail because it proceeds on the assumption that all men are equal, and that all will give of their best without thought of particular reward. It fails because it refuses to recognise that what is possible in the infancy of nations is impossible when their adolescent period has been passed. It fails because a theory and its application has never been the same where men were the solvent.

It may sound nice to say from the platform that one is happy in being called a Communist. It would be equally wise to say that one was happy in never having read history, in being ignorant of economics, and in denying the existence of human fallibility.

Recently I met three distinguished Russians. All of them were Socialists, and all of them were co-operators. One had been concerned with the first revolution. Of that I am certain. Perhaps the other two were also concerned, because both were heads of the Zemstvo of the districts in which they resided, and it is notorious that the Zemstvo first made the Russian revolution possible. They came to this country to plead for consideration, not as politicians understanding the intricacies of international politics, but as representative workers who were in danger of having their throats cut if the extremists in the British Labour movement were enabled to continue their support of the Bolsheviki. Each one told the story of his district, of the suppression of every democratic right, of the exacting and exploitation, and of the deportation of their food and their young women.

One of them, a quiet, gentlemanly fellow, with the blue eyes and the flaxen hair of the Scandinavian, said that, having finished his mission in this country, having endeavoured to explain to Englishmen the real facts of the situation, he would return, knowing that on his return the only thing open to him would be to take a rifle and defend himself and his wife and his children until death made defence no longer possible or necessary.

It was necessary to explain to these men that the bulk of Britishers were neither cowards nor men to whom the practice of dishonouring their obligations was usual; that a minority, for political reasons, and without understanding, had misrepresented the Briton. They were informed that financial reasons and the vastness of Russia had forced the Government into pursuing courses which were foreign to the temperament of the majority of the people in Britain. They found it difficult to believe this. The only thing they could think of was the insecurity of life and property, and the horrors heaped upon their people by men who were just as anxious to destroy democracy as they were anxious to destroy capital.

In this country we have apostles of Communism who are temperamentally just as narrow and bigoted as Lenin. They do not possess his ability, but they possess a terrible capacity for diverting the Government from fixed policies. They have imperfectly defined, but frequently expressed objectives. Revolution is what they preach, but they are not agreed as to which kind of revolution would suit their several ambitions, nor can they realise their inability to control a revolution and to cut it off at the moment when, from their point of view, they consider it has been effective; nor do they realise the difference between irresponsible agitation and responsible construction. Unhappily for the rest of us, they were able, in the early days of the war, to frighten the Government, and they have managed to keep up this sense of fear even until to-day.

It is fear which has paralysed the Government on profoundly important occasions. It is this fear which has led the Government to refuse the gauntlet thrown into the arena by men who wish to precipitate anarchy. It is this fear which has created a situation difficult for the Government, or for any Government, to control, even if it were much stronger than the one which at the moment presides over the destinies of the British Commonwealth.

Most of us are praying that the Government will either overcome its fears or resign its position. Anything, especially in the affairs of a nation, is better than indefiniteness and indecision. Oscillation is no substitute for inspiration.

There is, of course, an assumption in Britain that the Britisher would never descend to the beastliness and the brutality which has characterised the varying phases of the Lenin dictatorship. Those who hold this view have no grounds of complaint if others doubt the wisdom of their conclusions after reading the reports of the revolutionary outbreaks in Boston, Massachusetts. Boston rightly claims to be amongst the most cultured and intelligent of American cities. Its standard of municipal patriotism and social purity impresses the Englishman who visits the city, and yet, within a few hours of the commencement of its police strike, millions of dollars worth of property had been looted, and women and girls were being molested in the streets. Our own experiences in Liverpool prevent the development of any sense of smug superiority. Our crowds were as bad as the Boston crowds, and would have been worse had it not been for the fear that the presence of troops engendered.

Civilisation is a long time effecting radical changes in the hearts of men. It places a polish upon their utterances and their actions, but it leaves them only a little removed from those races which are said to be uncivilised. Once the veneer is dissolved, and the polish disturbed, elemental instincts dominate. So we, unless a new spirit arises amongst the people and in the Government, may find ourselves guilty of crimes and outrages similar to those which have disgraced the cause of Labour in Russia.

Britain, indeed, has nothing to hope for from any form of Communism or revolution. By sacrificing her genius for evolutionary politics she gains nothing and loses everything.

Following a bad example is foolish at any time, but when the badness is obvious, and the leaders are decamping or recanting, it is truly idiotic. For some time the speeches of Lenin have indicated doubt. To-day, his writ no longer runs throughout Russia. Government by terror implies the possession of sufficient instruments. The Soviet Government no longer has the necessary men or the revolvers to overawe the real Russia. It has sought and is seeking association with the capitalists it derided. It may be clever enough to change its coat in time, but it will have to hurry, for the new Russia which is emerging from the tribulation of the past seven years knows how futile Communism is, and how horribly its exponents have scarified her moral, social and intellectual life.

It will be interesting and instructive to watch the re-association of the scattered fragments of Russian life and policy. The new progress promises to be evolutionary rather than revolutionary. For all the affairs of life—self-protection, self-education, maintenance, transport, and development—first individuals, then hamlets, then villages will associate and federate. Then larger and larger groups will coalesce until once more Russia will stand regenerate before the world.

While all this gathering together of orderly forces is taking place in the home of the Slav, the Briton is being harried and bullied into situations which must involve him in tragedy more terrible than that enacted in Russia. He is being urged to sacrifice country to Communism; to take up the dice the Russian is discarding, and to put to the hazard his own and his children's inheritance. Is he fool enough to do it?

Not if he remembers that Communism has neither the backing of history, the force of logic, nor the prestige which comes from successful achievement.

CHAPTER XV

CO-PARTNERSHIP

ANOTHER question which must be considered by organised Labour during the next few years is that of productive method; whether this shall continue on purely individualistic lines or whether Labour will accept some form of co-partnership.

Personally, I approach the question of co-partnership in the spirit of an inquirer who at present is without definite conviction; who does not know whether to regard co-partnership as an interesting cult or as a practicable solution of industrial difficulties. The tenor of what I write must, therefore, be interrogative rather than dogmatic. It will, indeed, be gratifying to succeed even to the extent of clearing my own mental conceptions of the subject.

Years ago, an old student colleague advised me, when in doubt, to apply to myself, or to my subject, what he called the Socratic method. As far as I have been able to understand the Socratic method, it consists in asking questions, mostly inconvenient, sometimes impertinent, but often exceedingly useful.

Recently, I have been asking myself and other people many questions concerning the present state of things, and the possibility of co-partnership meeting the situation.

It would be easy to write extolling the ideals of co-partnership; to paint word-pictures of a world from which selfishness and ignorance had been eliminated, and in which social altruism and contentment reigned. It would be easy to do this, and very foolish to do it if such a line of thought minimised the importance of securing satisfactory answers to the questions which so many are asking.

Why are we to-day discussing seriously and more generally than before, departures from the existing order of things? Has the system of training, practised through so many centuries, ceased to meet our requirements? Is it the system that has failed, or the human operators of the system?

The immediate and popular answer to such a question would undoubtedly be that the system has failed, or is failing, to meet present-day developments. On every hand, one finds men and women of widely differing types, different attainments, and different social standing, condemning the system and demanding the substitution of some other method of dealing with production and of remunerating and of creating an interest in Labour. That most people are adopting this attitude as a matter of fashion, rather than of reasoned conviction, does not alter the fact; nor does it remove the necessity for fairly and squarely facing the pros and cons of alternative schemes.

The campaign for nationalisation has, for the time being, failed; not because its advocates were idle or inarticulate, but because of the almost universal revulsion against the costs and restraints of government by bureaucracy. Profit-sharing has had partial successes; but it fails to meet the modern demand for participation in control. Will co-partnership meet the situation? If we secure its general introduction, are we to regard it as an amelioration or as a panacea? Will it patch up, or will it solve all our industrial problems? What do we really mean by co-partnership, and what industrial areas do we expect it to cover?

Definitions are said to be the most dangerous things that man can attempt. Having neither prejudices against, nor violent predilections in favour, I might be permitted to say that co-partnership involves an association of all the factors essential to production, and implies the intention of co-partners to share the advantages, the disadvantages, and the responsibility of any business adventure.

It is, perhaps, necessary to explain that simple profit-sharing involves neither the sharing of losses nor the sharing of control. It is also necessary, in order to avoid future disillusionment, to explain that co-partnership is not a substitute for work. Whether we continue under the existing system, or adopt co-partnership, or accept nationalisation, we shall still eat bread by the sweat of our brow. If co-partnership involves association of the factors necessary to production, it is important that we should determine, in our own minds, what these factors are, and to what extent it is possible to bring about a working coalition.

It is obvious that, in the broadest sense, Capital and Labour supply all that is essential. I put Capital first, not out of any disrespect to Labour, but because I regard Capital as wealth which is both indigenous and accumulated; something, in fact, which nature provides or man saves. The part that nature provides is there (though not all of us always acknowledge the fact), before man either acts or saves. Quite apart, then, from alphabetical order or euphony, it is permissible to put Capital first, because it is nature's way.

Mankind ought really to have no quarrel with Capital. Without it, the world would be a sorry place for its existing populations. Capital is not merely the stock of money held by individuals to carry on the world's business. Money is only the liquid—and, under existing rates of taxation, the diminishing—part of Capital. Capital is really everything non-human which enters into the scheme of production in the effort to maintain existence. It is natural resources, as well as factories, machines, railways, mines, and ships. Labour itself is at once potential and highly perishable capital.

The looseness with which the term Labour is used is responsible for much of the misconception and unrest that exists. On the platform and in the Press, the term is usually applied exclusively to manual labour. The definition I recently prepared for the compilers of the Annals of the American

Academy of Political and Social Science, expresses my own conception:—

> "Labour is that inventive, initiative, constructive, and manipulative capacity which, applied to materials, conditions and requirements, extracts and makes and distributes those things which are essential to human existence, enlightenment and happiness."

Such a definition may be imperfect, but it takes cognisance of the inventive labour of a Watts or an Edison, and the efforts of those who conceive business, provide capital, organise manipulative and technical personnel, and exploit markets. It recognises manual labour, both skilled and unskilled, whether it is employed in fashioning materials or in distributing them. It does not ignore the possibility of extending credit to that political effort which keeps open, or should keep open, international highways and opportunities.

This conception of Labour immediately challenges many popularly accepted theories. It also invites comparisons as to values and remunerations. Should each factor in the scheme of production be treated equally? If there is differentiation in whose favour should it operate? Should the inventor, the capitalist, the organiser, or the manual worker have preference? Each will answer these questions according to his understanding and his circumstances. To me, it seems just that the manual worker should be favourably placed; that his share of the profits of industry should be generous and assured, and that his social obligations to his family and his fellows should be recognised when the share is determined.

There is one eternal and immutable stipulation. He must produce value in return for the value he receives. Whether his share is paid in wages or in goods, is immaterial to this question. He must replace this share by producing what will balance his personal account, replace waste, provide reserves, and maintain the State.

Will it be possible for any scheme of co-partnership that is in existence, or that can be designed, to bring these material and human factors into a relationship which is at once more productive and more harmonious than that which is now in existence?

I have never accepted the assertion that Capital and Labour are essentially antagonistic. If it were possible to get away from the narrow conception which each has of the other, and bring them more closely into understanding and relationship, under a system which permitted them not only to share profits, but to share losses and responsibilities, the advantages would be enormous. These advantages would accrue, not only to the men who own capital and the men who work materials, but to that more important entity, the whole community.

For many years, the desire to promote understanding has been exceedingly strong with me, and I have taken every possible opportunity to bring men and employers together for the purpose of settling the differences which constantly arise between them and for the further purpose of discussing those methods of production which appear to press upon the comfort and health of the worker, or appear to him to be wasteful and unnecessary. Usually, these conferences have benefited the employer much more than they have benefited the men. He has discovered intelligence, and frequently interest in the business, and he has been able to make profits out of his discoveries.

If any arrangement could be reached which enabled the workman also to secure additional profit through his intelligence and his interest in the business, such an arrangement ought obviously to make for less waste and increase of production.

With me, however, the greatest difficulty has always been in determining where these forms of co-partnership could begin. Up to the present, the workman is mainly concerned with wages, hours and working conditions. Only in rare instances do his thoughts travel backwards to the inception of the business, the provision of capital, the erection of premises, the provision of machinery, the gathering together of personnel or the discovery and retention of markets. Nor does he often think of the need for extension, for changes, not only in methods of production, but in the character of the articles produced. Nor would he always agree with his employer as to the amount of profits to be set aside each year in order to provide adequate reserves. In the nature of things, he lives largely in the present; and, this being the case, it seems inevitable that the area of co-partnership schemes shall be, for the present, limited to what may be termed the manipulative side of industry; expansion coming after experience and confidence have been gained.

If I am asked whether I think an association of employers and workmen on these limited lines desirable, I unhesitatingly say, "Yes." Whether the adventure, as such, succeeded or failed it would have educative results; and workmen, at least, would learn from experience which of the systems best suited their own conditions. In this sense, I believe that experiments are essential.

The temperament of the Britisher inclines him to look to experience rather than to reasoning; and, once involved in the difficulties and anxieties of management, he must become a better-balanced individual.

There are many difficulties ahead of co-partnership schemes. Quite apart from the human, and common, disinclination to accept responsibility, there is the distinct opposition of the Socialists, who believe that co-partnership is palliation, and that it postpones the introduction of the political millennium. There is also the definite opposition of the Trade Unionist, who believes that as the interests of the worker in the business are strengthened, his interests in the Trade Union are weakened.

With the objection of the Socialists I am not concerned; but, naturally, I do sympathise with the point of view of the Trade Union official, who sees in the general adoption of co-partnership, the general disintegration of the movement he and his prototypes have built up. I sympathise with his fears, but do not think they should stand in the way of any change which advances the common good. Trade Unionism, like any other institution, must face the test of utility. It has been an important factor in the affairs of men for more than 200 years. Even when it was incipient, it was important. It has done more than any other force to advance the interests of men who work for wages. Its successes cannot be measured by the direct results in England and America. The effect of its activities has been felt, and its influence has improved conditions, even in countries where no actual Trade Union organisation exists. It has achieved many things, but it may not have achieved permanence. It is possible that, in the changes that are inevitable, it will be affected or even superseded.

It is always good for institutions, as well as for men, to remember that the world existed without them, and may continue to exist even though they pass away. It would be foolish, therefore, for the officials of the Trade Union movement to oppose the introduction of co-partnership. It would be part of their duty to overlook all efforts in this direction, and to see that they produced results at least as beneficial to the workers as the old system produces. If they look at the position broadly, they will cease opposition to anything which promises improvement. If they look at the movement for co-partnership wisely, they will seek to control it rather than to destroy it.

There is the equally important opposition of capital. It will say, and say rightly, that at present, and for a long time to come, it will be quite impossible for the partnership to be complete; that labour, in the nature of things, cannot come in at the beginning; that the scheme of the business must inevitably be formed before the manual workers are even gathered together. They will fear the workman's interference in plans that he does not understand, and they will grudge the time required to explain why certain things were done and why certain things must be done if the business is to succeed. They will point, not to the few successes that co-partnership has achieved, but to the many failures that are recorded; and they will tell you that one of the essential factors in the successful management of a business is rapidity of decision and action, and that these are impossible if too many interests are to be considered and conciliated before action is taken.

There is also the workmen's objection to co-partnership. I have seen offers of it rejected without examination, and I doubt whether the great majority of the workers have ever given it serious consideration at all, or really desire to be troubled about it.

In spite of objections and apathy, there does not appear, at the moment, any alternative to the present system which offers so much promise as co-partnership, dealing, as it could, with individual businesses involving equal responsibilities, and arranging, in joint conference, terms between those who provide and create and those who manipulate and distribute.

Some day it may be possible to pass from the individual business and operate the industry on similar lines, but that is a problem of co-operation for another generation.

CHAPTER XVI

TRADE AND TAXES

TO-DAY, manufacturers find themselves with depleted resources, with closed or reluctant markets, and with stocks that have been accumulated while costs of production have been abnormally high. Behind these stocks are debts to the banks; and the fact that stocks must, in large proportions, be disposed of in markets over which the merchants have no effective control, that is, control which enables them to force prices higher than the prices of competitors, or in excess of the buyers' conceptions of economic value. Manufacturers are being urged, particularly by people who only manufacture words and programmes, to cut their losses; that is, of course, to forgo their estimated profits, and perhaps to entrench upon their reserves by selling goods at less than the cost of the raw material used, plus the wages of production. They may do this as a matter of policy, or at the dread command of the Official Receiver, but in either case, the aggregate standard of commercial stability will be injured and the common standards of comfort will be threatened.

Whatever the manufacturer may think of the advice to sell, regardless of productive cost, he cannot escape the problems of how to get rid of stocks;

how to repay loans guaranteed by stocks that have lost value; how to replace stocks at lower productive cost; how to ensure effective distribution of new stocks after these have been manufactured.

The first two problems are closely related. Upon success in selling stocks depends ability to repay loans. The manufacturer who sells in a falling market must, of necessity, weaken the sum total of his credit, and so handicap his future operations. The community cannot afford to regard the failure of any manufacturer as an unimportant matter, and as manufacturers are being asked to help the people by providing employment, the manufacturer is, in return, entitled to ask the people to help him by providing reserves of credit, and, wherever possible, by reducing the enormous burden of taxation.

It is necessary to speak with the greatest diffidence of all credit schemes. The subject is difficult and complex, and its ramifications extend far beyond the confines of Britain. It is governed by factors that the average man seldom considers or understands. Perhaps the only people who treat credit lightly are those who never had any.

Any national credit scheme, to be successful, should be financed by the people, guaranteed by the State, and administered by business experts. There is every justification for demanding that credit to overseas markets should be in the shape of goods manufactured in Britain. Advancing cash to the Governments of impecunious States will encourage extravagance rather than trade. Governments of countries receiving material credits must be asked to guarantee repayment, and to facilitate the collection of sums owing. Credit Bonds might be issued to the public in similar fashion to the issue of War Savings Certificates, and they could be redeemed gradually as overseas debts are paid and commercial situations improve.

Apart from getting rid of existing stocks, is the need for replacing them at lower productive costs. The main costing factors are raw materials, labour, profit, rates of interest, mechanical power, transport, rates and taxes.

Imported raw materials are already coming in at lower prices. Cotton is a startling example. Labour will certainly become cheaper, if not in terms of nominal wages, at least in terms of greater efficiency. The amount given to labour is of less importance than the return given by labour. It matters little what labour receives, provided labour returns, not merely value, but that surplus necessary to develop the business, maintain the State, and provide for contingencies. Labour, whether of hand or brain, whether directive or manipulative, must earn its corn or starve.

Profits, not only on goods in stock, but on goods to be manufactured, must be smaller than the past five years' experiences have led men to expect. Speaking generally, it is safe to say that stocks deteriorate by holding, if not intrinsically, at least in the sense that interest is paid or lost on the capital locked up in stock; consequently, holding on for profit may result in actual and grave losses.

The tendency to-day is for men to expect competences after a very few years of work and effort. They will have to modify their expectations. A hundred years ago my great-grandfather made bricks by hand and sold these bricks at 22/- per thousand. It is said that manufacturers to-day expect a similar sum as profit! Reductions in profit must precede reductions in wages. It will be useless to ask the workmen to accept lower wages if manufacturers continue their attempts to exact war-time profits.

The importance of internally derived and exploited mechanical power has been forced upon the business community by the war and post-war attitude of the miners. For two hundred years coal has been the main source of the power behind British industry, and the price and availability of coal is a matter of grave concern to everyone connected with trade and commerce. It takes three tons of coal, or coal product, to make one ton of tin plate, while £1 per ton off coal means £4 per ton off steel. There is no secret about the American and Belgian and German capacity for underselling Britain in these and similar products. They have cheaper coal and more effective labour.

Transport, particularly for a nation which must sell overseas, affects all selling prices. Freightage of wood went up 775 per cent.; railways, in 1913, received an income of £135,000,000. In 1919 their income had risen to £318,000,000, and as there was a deficit of £36,000,000 which the State has guaranteed, railways have taken a grand, if not a glorious, total of £354,000,000 out of the British traveller and trader, or £219,000,000 in excess of what they took in 1913. It would be interesting for those who are accountants or experts at figures to work out the percentage which this gigantic sum adds to the distributive costs of British commerce, and the extent to which it affects unemployment.

Before the war we had one great trade competitor. Germany went to war for markets rather than for the Hohenzollerns. To-day, two other competitors have entered the industrial and commercial struggle. America and Japan have been our Allies. In commercial and industrial rivalry they are as much against us as Germany. Whatever may be our expectations, we shall, in fact, receive no quarter. America has already indicated her intentions. She promises to play fairly, but she will play hardly, and in her own interests.

What has the Council of Action to say to these three capable and forceful rivals? Will they be told to abolish overtime, to restrict peremptorily the working hours to eight per day, and to restrict also the output of those who remain at work?

Nothing of the kind. The Council of Action, and the others, will reiterate frequently exploded platitudes and rejoice anew over the passing of vain resolutions.

War, and post-war taxation, has also handicapped industry and closed down factories. In considering taxation, it is desirable to include both the Imperial and local forms. It is necessary, also, to consider the purpose for which taxation is imposed. It is usually:

(*a*) To provide the income necessary to meet national and local charges;
(*b*) To prevent the importation of goods which interfere with home industries;
(*c*) To lessen the consumption of the less essential commodities.

The statesman has to consider, also, whether all taxation imposed is necessary; whether its incidence is wisely distributed, and whether it limits enterprise. The latter consideration is most important to those who are dealing with employment.

In studying the effect of taxation on the business of a country, and through business, or lack of it, on unemployment, it is necessary to ask:

(*a*) Has taxation reached the pitch at which it limits enterprise?
(*b*) Has capital been handicapped to the extent of forcing it to seek non-speculative investment—*i.e.* Government Loans—which are non-productive as well as non-speculative?
(*c*) Has the Government, by absorbing liquid capital and placing it at the disposal of its own spending Departments, limited the amount available for trade and wages, and so created unemployment and loss of productive capacity?
(*d*) Has it, by excessive taxation, limited the liquid capital on the money market, and, to the

extent of this limitation, increased rates of interest and the export prices of commodities?

Whatever the Government may say, the man in the street will answer all the foregoing questions in the affirmative.

Taxation in Mr. Gladstone's time was £100,000,000 per annum; the estimated expenditure for national purposes in 1920-21, exclusive of rates, was the astounding sum of £1,418,300,000. To this terrifying total must now be added local rates varying from 10/- to 27/- in the pound.

It may be asserted that, in face of the unavoidable expenditure forced upon the country by the war, the whole of this taxation becomes necessary. It is, however, permissible to doubt the assertion, and to argue that less waste during the war, and a more effective cutting down after the war, of Departments that have no use in peace time, would have rendered much of the taxation unnecessary.

Money was literally thrown away on enterprises that were extravagantly designed, and constructed on a system of payments that invited dishonesty. To pay contractors a percentage on what they spent was to invite extravagant spending. Henrowe and Chepstow, as well as Slough, offer outstanding examples. It is alleged that every brick in the former place cost a shilling to lay; while at Chepstow, one of the men who knew something about ships, and who had for years been building ships in the locality, complained pitifully of being made subordinate to official shipbuilders who "wore brass hats and spurs."

The country has suffered, is suffering, and will suffer, because of the unhappy passion for creating new Departments to meet each emergency. That this passion did not immediately abate after the war, was shown by the creation of a Ministry of Mines, and the appointment, in connection with the Ministry, of 397 new officials. That for five years Departments of doubtful utility overlapped or trod on each other's heels, counts for little in the eyes of the Minister who desires to accomplish great things and leave a great name as a Departmental Chief. The effect upon the pockets of the community of these Departments, stated in terms of cash, was shown by the 1920-21 demand for £497,318,000 for Civil Services.

The people of Britain, and the trade of Britain, will have to pay these charges, and the people will be justified in deciding that not another penny of new taxation shall be imposed, but that existing expenses shall be curtailed, and all other projects which involve the spending of money shall be postponed.

Whatever the sum total of taxes, the people have to consider the fairness or unfairness with which they are imposed. As all classes in democracy share the responsibility and the burdens of expenditure, it is unfair for any class to escape its due proportion, or to receive from taxes what it ought to earn by work.

There has been an impression that the raising of the Income Tax exemption limit from £160 to £225 has benefited the manual worker and the people who receive comparatively small salaries. It is, however, very doubtful whether this impression is justified. What the workers have escaped in direct taxation, they are being compelled to pay in indirect taxation, and to suffer through the dissipation of liquid surplus and the discouragement of creative initiative. The evil effect on productivity is aggravated rather than minimised by the attempt to place all obvious taxation upon the rich or potentially rich.

Excessive taxation, even when it appears to be borne by the rich, does most injuriously affect the poor, because it prevents or retards the accumulation of that surplus which is needed for industrial maintenance and expansion. Unless such surplus is accumulated, there must be business reaction and stagnation. While this may be postponed by borrowing at high rates of interest, it cannot be definitely avoided. A business, too, which has maintained existence for any appreciable period on capital borrowed at high rates of interest may take a long time to effect tangible recuperation, and may be expected to provide, during its period of recuperation, small dividends and low wages. The difficulty of providing requisite surplus is greater to-day than before the war, because, owing to the rise in prices of materials and in wages, much more capital is needed to work a business than was formerly the case.

The cost of everything we eat, or drink, or use, or wear, is increased by excessive taxation, and this increase affects every commodity, taxed or otherwise. The result of this is decreased national spending power, which throws out of work men who provide for the home market, and decreased power to export at competitive prices, which prevents that outside expansion which alone can provide steady and remunerative employment for all our population.

Taxes, it should always be remembered, are cash transactions. It is not permissible to meet them by Bills of Exchange drawn at twelve months; nor is it permissible to postpone payment for any length of time. Business, in the main, is a credit affair; and the business man who has to meet heavy taxation, and particularly unexpected taxation, must budget for considerably more than the tax-collector demands. If he only adds to the price of his commodities the exact amount of the tax, he will certainly find that he has not enough to meet the demands made upon him. If he has to pay 20 per cent. taxes, he will, in all probability, put 40 per cent. on his prices, to be sure of raising the cash, and of indemnifying himself against the possible losses of credit trade.

New developments in trade are restricted when the Government absorbs too much in taxes. Britain depends for her existence mainly on overseas trade. This is a fact that cannot be too often reiterated, even though one becomes weary of the process. The business man will only face the risks of overseas enterprise if he sees the possibility of successful competition with other nations at a reasonable profit.

The attempt to accomplish, in a decade, the social and political ambitions of a century, would have been costly had the circumstances been favourable, and had every man placed in office and authority been a perfect instrument.

Unfortunately, the circumstances were not favourable to a successful exploitation of the theories advanced, and ill-considered and unco-ordinated interferences have further denuded the war-impoverished resources of Britain.

The average man does not believe that this is so. His impression that there is still plenty of money in the country is, unhappily, encouraged by the criminally foolish utterances of those who profess to lead.

At one of the industrial conferences, such a leader (and a very well-known one) declared that they wanted a good "Friday night," whether they worked or whether they played. He emphasised his demands by saying that before the war, the banks had in reserve thirteen thousand millions, while now they held seventeen thousand millions.

"The worker wants some of this increased wealth," he cried, and he quite failed to appreciate the incongruity of his utterances when, later in the same speech, he was assuring his audience that the sovereign was now only worth seven shilling and sixpence!

That the nation is short of liquid capital is proved by some recent failures, in which the assets greatly exceeded the liabilities of the concerns affected. But the assets were bricks and mortar, and machinery and goodwill, and these could not be used to buy raw materials, or to pay the wages of labour.

It is often argued that the banks are emphasising the shortage of liquid capital by their refusal to advance money for speculative purposes. It should never be forgotten, however, that the banks are custodians of other people's money, and are not supposed to enter into speculative enterprises unless the security offered amply safeguards the interests of the people whose money they hold. That the banks are justified in exercising care is demonstrated by the recent unhappy occurrences in connection with Farrow's Bank.

Those who are almost daily advocating inopportune, and sometimes ill-considered, legislation, and who only see social salvation in the imposition of levies on already dangerously depleted capitals, seldom seem to realise how much their advocacy damages trading possibilities, and develops the circumstances which make for unemployment. This advocacy of theirs goes counter to the real desires of those on whose behalf they claim to speak. What the genuinely unemployed workers of Britain need is not a Government which satisfies, or attempts to satisfy, the demands of the unthinking by borrowing, or wasting the national substance in bureaucratic experiments; they need a Government which will keep its expenditure well within the capacity of its people, and which will have the courage to cut out things, however desirable in themselves, if these cannot be paid for without increasing the handicap of trade.

THE END

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