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BRITAIN'S Record in INDIA

By J. E. WOOLACOTT

*Formerly Editor of
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FOREWORD

THE importance of a true appreciation of the aims and achievements of British administration in India was never greater than it is at the present time. In the near future, and in any event not later than 1929, a Royal Commission must be appointed under the Government of India Act to inquire into the working of the Constitution embodied in that legislative measure, and to report as to whether it is desirable to extend or restrict the degree of responsible government existing in India. It is significant that as the time approaches for the great inquest to be held persistent efforts are being made in England to create the belief that British rule in India means cruel repression of the people; that a reign of terror has been maintained by successive Viceroys, and that almost every evil that afflicts the country may be traced to British malevolence or wrongdoing. A leader in the campaign of calumny is found in Dr. V. H. Rutherford, a former member of the House of Commons, whose recent book, entitled "Modern India," teems with reckless misrepresentations of

the actions of his own countrymen. In this volume Viceroys like Lord Chelmsford and Lord Reading are held up to obloquy, British officials of the Indian Civil Service are represented as greedy, incompetent and arrogant bureaucrats, and it is asserted that British exploitation is the main cause of Indian poverty. It would be an endless task to follow Dr. Rutherford through his maze of misrepresentation. But it is possible to show briefly that the British connection is of inestimable value to the people of India, to whom it secures justice, internal order and safety from foreign aggression.

Before exposing the baselessness of Dr. Rutherford's indictment it is pertinent to cite an instance of his controversial methods. In concluding a chapter on "How the People Live," he asserts that the Material and Moral Progress Report for 1922, written by Dr. L. F. Rushbrook Williams and published by the Government of India, "tells us that the masses of the Indian population are beset with poverty of a kind which finds no parallel in the more exigent but less tropical countries of Europe." This quotation is used to bolster up Dr. Rutherford's baseless allegation that the British are responsible for poverty in India. But the writer carefully omitted to cite Dr. Williams's statement in the same chapter of the report that, "it is plain to the observer that

there is considerable indirect evidence as to a growing prosperity rather than to an increasing poverty" among the masses, and his further assertion that a certain amount of direct evidence is available which points to an improvement in the economic position of the Indian peasant.

Moreover, Dr. Rushbrook Williams definitely challenged the truth of the charge Dr. Rutherford is seeking to establish. "The theory that the Indian masses are ground down by the exactions of an extravagant Government," he wrote, "though a favourite theme of eloquence in the newspaper Press, will not hold water for a single instant in the face of the facts. Despite the high salaries paid to her officials, India probably possesses at this moment the cheapest administration in the world. Non-official estimates, carefully compiled, put the average incidence of taxation, including industrial profits, at Rs. 6 (9s.) per head per annum. The actual demand of the State upon the land works out in most places at about 5 per cent. of the gross produce, a figure which may be compared with the corresponding average of 17 per cent. in the case of Japan." Dr. Williams then discussed the basic causes of poverty, and summed up the situation with accuracy when he declared the problem to be a gigantic one, with its roots in certain long-standing customs and deficiencies which themselves

make for distress as the population increases, while resources are confined within traditional limits by hide-bound precedent.

The value of Dr. Rutherford's book as a contribution to the truth about India may be judged by his selection of an isolated sentence from a long exposition of the condition of the masses and utilising it to support a theory wholly repugnant to the context. Nor was the statement attributed to Dr. Williams accurately reproduced; for what that gentleman actually wrote was that "a *considerable proportion* of the masses are beset with poverty of a kind which finds no parallel in the more exigent but less tropical countries of Europe."

GROTESQUE ACCUSATIONS

THERE are few pages in Dr. Rutherford's book which are free from statements that are inaccurate or fantastic. The writer is not only guilty of the base slander that British residents in India are addicted to drunkenness, but accuses the British of having fostered habits of intemperance among Indians and introduced betting from the West. The Institutes of Manu show that the drinking of intoxicants and the habit of gambling were prevalent in India before Julius Cæsar and his legions set foot in Britain. If there were no race meetings, there were ram-fights and cockfights, on which bets were made; dicing was indulged in and gaming-houses existed. In more recent times a Mogul Emperor vainly attempted to suppress the drinking of spirits by inflicting the penalty of death on offenders and destroying the houses in which liquor was found.

Dr. Rutherford's handling of figures is characteristic. One of his arithmetical exploits is connected with his attempt to show that, owing to British misrule, enormous sums have to be

annually spent in feeding the victims of famine. In pursuance of this task he quotes figures from the Government of India's Statistical Abstract showing that a total sum of 340½ lakhs of rupees was set aside as provision against famine in the ten years ending with 1920-21. This amount expressed in sterling is equivalent in round figures to £2,555,000. But in order to give some semblance of verisimilitude to his lurid and unconvincing narrative, the writer multiplies by 100 the sum which, he says, it was necessary to disburse in relieving "the extreme, the abject, the awful poverty of the Indian people." After quoting the official figures of 340½ lakhs, he immediately declares with horror that owing to the terrible conditions prevalent in the second decade of the twentieth century, the Government had to provide "more than 340 crores of rupees" for relief, a sum equal in sterling to £255,000,000. A few noughts more or less appear to be of little concern in polemical essays of this kind.

In relation to sanitation the writer contends that the gravest charge against the British is that public health matters have not been entrusted to Indian representative municipal bodies or legislative councils. This statement has elicited from Lord Meston the pungent retort that it might have disturbed such a farrago of irrelevancies if

Dr. Rutherford had told us the truth, namely, that for at least a generation the municipal and district boards of India have been directly responsible for the sanitation and public health in their own areas and that, as a rule, though there have been a few enlightened exceptions, it has been one of the most invidious tasks of Governments to hold them to any decent pretence of fulfilling their duty.

The latest review by the Government of the United Provinces of the working of municipalities within its territory provides a melancholy proof of the failings of these bodies. In the big cities, we are told, the record "is not unencouraging," though many abuses are disclosed. The audit of 1925-26 showed that of the eighty-five municipalities in the Province the accounts of as many as thirty-six, including all the most important Boards, were distinctly bad or indifferent. The water supply and public works accounts were particularly defective and irregular in a large number of municipalities, including the cities of Cawnpore, Agra, Lucknow, Allahabad and Benares. In the lesser areas grave irregularities were discovered. Of the Bari Banki Board the Commissioner found it impossible to say anything good. The staff was uncontrolled and discontented and sanitation was disgraceful. In Ghaziabad the Board was rent by quarrels and

jealousies ; it had not repaired the roads and it was reducing expenditure on education. The Hardoi Board was heading fast for bankruptcy ; its administration in every respect left much to be desired. Another Board, that of Jhansi, had " failed to realise its position as guardian of the public interests and procurer of necessary benefits for the people. It fritters away its time and energy and money on tennis courts, libraries and statues."

Further, under the Government of India Act, Public Health was one of the subjects delegated to the Provinces and is in charge of an Indian Minister in each Provincial Council.

The misrepresentations to be met with are so numerous and so grotesque that it would be an endless task to refute them in detail, and the pages that follow will be devoted mainly to an outline of what British administration has done for India. It is essential in considering the economic conditions in that country to avoid analogies between India and Europe. The conditions are so dissimilar that comparisons are apt to be grossly misleading. A warning should also be given against the acceptance of estimates of the average income of the people. There are no reliable data to enable an estimate of any statistical value to be made for India as a whole, and writers who enlarge on this theme in their attacks on British

administration invariably forget that the money income of a peasant cultivator, who lives in his own dwelling and subsists on the produce of his fields, is not a reliable and trustworthy index of his standard of living. The economic status of the Indian cultivator, judged by Western standards, may be low, but the idea that the Indian countryside is peopled by miserable, emaciated specimens of humanity is absurd. I have visited many Indian villages and can speak on this subject from personal experience. The Indian Army, moreover, is recruited from the peasantry, and those who came into contact with the Indian soldier in the Great War can testify to his physical stamina.

INDIA "STRUGGLING TO BE FREE"

THE causes of poverty in India will be dealt with later; we will first consider the assertion that "India is rightfully struggling to be free and England is wrongfully resisting this legitimate and praiseworthy aim." The author of this assertion melodramatically tells us that the "great renunciation must come one day, and until that day comes poor demented humanity must continue to wade through seas of blood and extortion and torture." That such fustian should be written indicates the existence of unbounded faith in human credulity.

India's political destinies lie in the hands of her own people. The preamble to the Government of India Act of 1919, which brought into being the Central Legislature and the Provincial Councils, states the declared policy of Parliament to be the progressive realisation of responsible government in British India as an integral part of the Empire. It is further laid down that the action of Parliament in such matters must be guided by the co-operation received from those on whom new opportunities of service will be

conferred, and by the extent to which it is found that confidence can be reposed in their sense of responsibility.

The Royal Commission already referred to will be called upon to decide whether the conditions exist to justify an extension of the present Constitution. It would be idle to attempt to forecast their decision. Differences of opinion prevail among Indians themselves on the question. Many public men, including those who have not shown excessive zeal in working the Reforms or in co-operating with Government, believe that the time is ripe for a sweeping advance. Others are doubtful of the wisdom of imposing Western representative institutions on India.

A highly-respected Indian ruler, the Maharaja of Benares, in a speech at a recent banquet given by him in honour of the Viceroy, made use of these memorable words: "The ever-indulgent British Government, eager to reward India for its War services, made a fateful announcement in 1917, anticipating the actual state of things by at least half a century and attempting to build a twentieth century Constitution with materials of the Middle Ages." It was not strange, His Highness added, that the attempt had not been successful, and he declared that India would be unable to do without British protection for centuries. It is generally agreed, moreover, that

the Reforms have accentuated communal differences. The Mahomedans, who are in a minority, object to a system of government under which decisions are given by the counting of heads, and the struggle between the Hindus and Moslems for political influence, which means office under Government, has been attended by deplorable results.

The Royal Commission will have to decide on the evidence as it is laid before them. But whatever their verdict may be, it is unquestionable that if the British in India were guilty of the crimes of which they are accused by reckless and jaundiced politicians their position would long ago have been untenable. Dr. Rutherford accuses his own country of playing the part of "gaoler and exploiter to one-fifth of the human race." He will find it difficult to persuade any sane and unbiassed man that a handful of British officials backed up by a small British Army could keep in cruel subjection a sub-continent with a population, including subjects of the Indian States, of 320,000,000, among whom are great martial races which proved their valour on the battlefields of France and Flanders, in Palestine, Mesopotamia and in other theatres of war. The strength of the British Army in India is about 60,000; the British members of the Indian Civil Service number some 980 in all. There are vast

areas in India where a British soldier is never seen; the great majority of the civil officials live unarmed in the districts, where their only sure protection lies in the goodwill and friendship of the people.

Is it conceivable that if these men were the agents of a tyrannical despotism they could carry on duties affecting the daily lives of the masses with the immunity from danger which they enjoy? And is it credible that if the Government of India were guilty of the systematic oppression with which they are charged eminent and high-minded Indians would consent to participate in the administration of the country? Three out of the seven members of the Governor-General's Executive Council are Indians, and in each Provincial Government there are included Indian Ministers entrusted with the care of Public Health, Education, Agriculture and other activities of the State. The Indian Civil Service itself, which its detractors invariably treat as if it were purely British, has a substantial and increasing number of Indian members who loyally carry out their duties to their country. If there were substance in the sweeping indictment recklessly framed by uninformed assailants of the Government these officers must be included in the charge. It is not so generally realised as it ought to be that the British element in the Services in

India is steadily decreasing. In 1922 the Indian Civil Service comprised 1,179 Europeans and 208 Indians; by 1926 the number of European members had fallen to 980 and that of the Indians had risen to 286. The same process is going on in the other Services. The number of European officers of the Indian Police declined in the same period from 627 to 585, while the number of Indian officers rose from 66 to 109. In the Indian Medical Service, again, there were 566 Europeans and 156 Indians in 1922. In 1926 the numbers were 506 Europeans and 295 Indians, holding permanent or temporary commissions.

BRITISH PROTECTION VALUED

The truth is that the bare suggestion of any intention on the part of England to leave India to her own devices would cause panic throughout the country. The unhappy communal differences which too often manifest themselves in insensate outbreaks of violence constitute the most serious problem of the India of to-day. Enlightened Mahomedans and Hindus alike deplore the tension which exists between the followers of the two great religions. The suggestion that communal differences are fomented by British officials is as false as it is malicious. I can speak with

first-hand knowledge of the constant anxiety caused to district officers by the potentialities of conflict which arise during the festivals of one religion or the other. The danger has reached such dimensions that the requisition of the services of troops on these occasions, in order to prevent bloodshed, is becoming more and more frequent. Many attempts are being made by leaders on both sides to compose these differences in the interests of India and of humanity, but so far the success achieved has been small. Meanwhile, the services of British soldiers in providing protection for the law-abiding in times of communal trouble have repeatedly been acknowledged by grateful Indians. The Somersets were entertained at Agra by Indian gentlemen after the riots in that city; and after the terrible Moplah rebellion, with its concomitants of massacre and unspeakable outrage, a British regiment was presented with a piece of plate by the Hindu community.

Again, during the grave communal disorders in Rawalpindi, in 1926, ice and refreshments were gladly sent out to the troops by the Indian inhabitants, and evidence was forthcoming that the owner of a house actually set fire to his verandah in order to make out a case for a British sentry to be posted near by. When the rioting ceased the authorities had great difficulty

in removing the troops, as the people insisted that their presence was necessary to "restore confidence." Another striking instance of the importance attached by Indians to British protection was recently witnessed in Bengal. In the Calcutta riots of 1926, which resulted in many deaths owing to the violence of the mobs, it was found that the European element in the police force was the only section that inspired confidence, and the demand that sergeants should be posted in quarters where feeling ran high was insistent. The number of these officers was, however, small, and as a result of the experience recorded it was decided that the European element in the police force should be substantially augmented.

In the Delhi riots of 1924 the Superintendent of Police reported that wherever a picket of British infantry was posted neither party dared to assault the other; respectable men and women felt safe as soon as the British soldier arrived. Law-abiding people in India, who constitute an overwhelming majority of the population, have, indeed, reason to be grateful for the protection which they enjoy under the existing *régime*, both from troublers of the peace within and potential invaders across their borders.

The expenditure on defence is a subject of continual criticism by the opponents of the Government of India. Men's memories are pro-

verbially short, and it is forgotten by many that as recently as 1919 it was necessary, in order to meet the Afghan attack, to employ a force of 340,000 across the Indus on a front of 1,000 miles. There were in India at that time a considerable number of British troops who had been fighting in Mesopotamia and were anxiously waiting demobilisation so that they might return to their homes in England. These men had every reason and right to look to an early release from military service, and it was with great reluctance, as he said, that Sir Charles Monro, then Commander-in-Chief in India, sanctioned their retention.

His confidence in the loyalty of the British soldier was not misplaced, and Sir Charles subsequently paid a fine tribute to the spirit the troops displayed in shouldering this additional burden. The climatic conditions under which this campaign was conducted were appalling. The Afghan attack was commenced during the hottest season of the year, and shortly after the outbreak of hostilities a heat wave of cruel severity swept over North-West India, the daily shade temperatures registered at Peshawar in May, June and July ranging from 5° to 7° F. above the daily average of the previous twenty years. Some idea of the alarm which was occasioned by the attempted invasion of India may be gathered from the fact that a leading Extremist

journal in Bengal called for a cessation of all agitation and urged its readers to give their whole-hearted support to Government, in order to avert a danger which might affect the happiness of generations of Indians yet unborn. The valour of the British and Indian troops engaged prevailed and India was secured from the threatened danger. But the necessity of providing for the protection of the North-West border is an urgent problem to-day. The hatred of the British Empire which animates the Bolsheviks has been accentuated since 1919, and the rich prize which India offers is ever present to the dictators of Moscow.

“The road to London is through Kabul and India,” declared Lenin, and the penetration of Central Asia by the Bolsheviks, attended by ruthless massacre, has synchronised with their efforts to foment revolution in India itself. In their judgment dismissing the appeal of the revolutionaries who had been sentenced in Cawnpore in 1924 the Allahabad High Court described the methods which had been commended to the convicted men. “Violence and destruction of property were to be encouraged and conflicts to be precipitated. At the propitious moment resources and armed help were to come from ‘the Universal Revolutionary Party,’ that is, the Communist International.” The conspirators, as the

High Court pointed out, had overlooked the strength that would be arrayed against an enemy bent on the destruction of the upper and middle classes, Indian and British alike. But there was no mistake as to the object of the instigators of the revolutionary plot. "In the event of the overthrow by force of the British Government the revolutionaries proposed to sweep away all Indian political groups and labour organisations which did not come into line. The power of upper and middle class Indians was to be destroyed by taking from them all that they possessed."

The military expenditure provided for in the Indian Budget of the current year is in round figures 55 crores of rupees, or £41,250,000. No unbiassed critic can declare that sum to be excessive for the maintenance of internal peace and the external defence of a great country with land frontiers of enormous extent, which, if inadequately guarded, would render it liable to danger from invasion. The warlike tribes of the North-West border include 120,000 fighting men armed with modern rifles, and bitter experience has shown that the organisation and equipment of this formidable force has improved immeasurably during recent years.

The military expenditure of India against which an irrational outcry is constantly being raised by

a familiar type of politician would be much larger but for the protection provided by the British Navy and the occupation of Aden and Singapore by the British.

THE ROOT CAUSES OF POVERTY

THE economic position of the cultivating classes is obviously of supreme importance to the welfare of India. The population of the country as shown by the Census of 1921 amounts to nearly 320,000,000, of whom 72,000,000 are subjects of Indian States. Of this mass of humanity 229,000,000 are dependent on agriculture. It is true that many of the cultivators are poor; it is false to say that their poverty can be laid at the door of the Government. An independent authority, Mr. Stanley Jones, the author of that arresting book, "The Christ of the Indian Road," has accurately epitomised the fundamental difficulties which lie in the way of economic progress. Mr. Jones is an American missionary, a warm admirer of Mr. Gandhi, and an advocate of self-government for India. He has laboured long in that country and has many friends among the people. "Our industrial schools, our experimental farms, our co-operative banks and numerous endeavours at economic uplift," he writes, "prove that we are keenly alive to the need of helping India to get bread.

But a great unbiassed economist came to the conclusion that 'almost every economic ill in India is rooted in religious and social custom.' Every time you try to lift India economically you run into a custom that baulks you."

Religious and social customs deeply ingrained in the people, an inordinate love of litigation, indebtedness to moneylenders, often due to borrowing for ceremonial purposes, and the "fragmentation" of holdings, arising from ancient laws of inheritance, are the primary causes of poverty in India. Expenditure on a marriage festival will frequently amount to more than the whole income of the family for a year. The loss to the cultivating classes through the ravages of wild animals and birds is incalculable. Monkeys, the peacock and his harem, wild pigs and pigeons destroy a considerable proportion of the crops, and the religious objection of the Hindu to the taking of life secures for these marauders an immunity found in no other part of the world. The black rat is not only the source of plague, but consumes, on a very conservative estimate, grain to the value of £12,000,000 annually. The highest authorities on plague declare that this scourge could be eliminated if the people at large could be induced to join whole-heartedly in a determined and sustained campaign against the rat. The monkey

and the peafowl enjoy special consideration on religious grounds.

The veneration in which the cow is held by Hindus constitutes another obstacle to agricultural prosperity. Owing to this sentiment, the elimination of useless animals is impossible, and it is estimated by agricultural authorities that at least 14,000,000 of the cattle in India are of no economic value whatever. The life of these animals is taken as six years, and during that period they each consume fodder to the value of over £7.

The "fragmentation" of holdings means that a cultivator may own a small farm divided up into minute strips at a considerable distance from each other. The origin of the evil lies in the laws of inheritance, which lead to the distribution of the land among the sons of a family on the death of its head. It is not unusual to find a cultivator with his land situated in twenty or thirty different places; a case is indeed on record where a peasant proprietor's holding was distributed over 200 fields. The consequence of this is that the fields sometimes become so narrow as the process of subdivision goes on that they cannot be ploughed crossways, or so small that they cease to be cultivated.

An examination of conditions in the Punjab throws a flood of light on the problem of poverty.

Thanks to irrigation and the extension of railways, the Punjab to-day is the most prosperous agricultural Province of India. But many of the people are still poor, although the successful efforts of Government to provide them with water for their land and means of transport for their produce have brought wealth to the Province. The Punjab peasant has been described by a recent Governor, Sir Edward Maclagan, as one of the finest and noblest of his kind. He is the backbone of the Indian Army, and he has inspired British officials with admiration for his manly qualities. Yet his improvidence renders him an easy prey to the wiles of the moneylender; his love of litigation enriches the legal profession and its hangers-on and deprives him of a large proportion of the fruits of his labour. It has been well said by a British official who has spent years of service among the peasantry that "the tide of wealth which has been flowing into the Punjab for the last thirty years passes through the hands of the many who have earned it by their toil into the hands of the few who acquire and retain it by their wits."

The Punjab has been fortunate in that its economic life has been studied at first-hand and admirably described by Mr. Hubert Calvert, a member of the Royal Commission on Agriculture in India now sitting under the presidency of Lord

Linlithgow. Mr. Calvert is an Indian Civilian who has been instrumental to a large degree in extending the co-operative system in the Province. His work has been a labour of love, and while doing his utmost to raise the economic status of the people, he has in his book, "The Wealth and Welfare of the Punjab," faithfully and sympathetically exposed the causes which retard their progress. A common charge against British administration is that it levies an excessive toll on the cultivator by means of its land revenue. The accusation has no substance in fact, and conditions in the Punjab, which owes the great accession of wealth it enjoys almost entirely to the action of Government, provide an eloquent commentary on the allegations so freely made. The high price of land, due to the provision of railways and irrigation, has given the cultivator "the curse of easy credit." He maintains over 40,000 moneylenders, an army of 32,000 goldsmiths and a horde of beggars. The land revenue is about 4 crores of rupees (a crore is equal to £750,000), the interest paid to moneylenders is about 12 crores; litigation costs 4 crores, and preventable mortality among cattle yet another 4 crores.

The passion of the people for the excitement involved in a law suit is almost incredible. Colonel Roe, describing his experience as a

District and Sessions Judge in the Punjab, wrote : " The average litigant in India is quite unlike the average litigant in England.. There a man only goes to law if he is compelled to, whereas in India, at any rate so far as the agricultural community is concerned, a man goes to law because he likes to have a law-suit, which provides him with an interest in life for the time being, and very often enables him to avènge himself on an enemy. It may also result in pecuniary advantage to himself." The consequences are disastrous to the people. A conservative estimate places the number of persons involved in litigation in the Punjab in an average year at 1,500,000, and the loss of time involved, including that of a million witnesses, at 10,000,000 days annually. The capitalised value of the annual expenditure is estimated to be sufficient to redeem the whole mortgage debt of the Province.

The legal profession has grown and prospered owing to the fatal propensity of the people to resort to the courts. In 1868 there were forty lawyers in the Punjab and in 1896, 360 ; to-day their numbers have risen to 1,200.

WHAT GOVERNMENT HAS DONE FOR AGRICULTURE

IT is obvious that no civilised administration could fail to concern itself incessantly with remedies for such evils as have been described. That the British rulers of India like the rulers of every other country have made mistakes is unquestionable. But their efforts to improve the lot of the agricultural masses are characterised by honesty of purpose, and the results afford encouragement to all who are anxious for India's prosperity. While, as we have seen, the welfare of agriculture means the welfare of India, the administrators of the country have had to face exceptional difficulties in carrying out their task. Thorold Rogers and other economists have paid tributes to the services rendered to British agriculture by many enlightened landowners. On the other hand, Indian landowners have done little to advance the interests of the greatest Indian industry, and the educated classes, with few exceptions, take only a perfunctory interest in agriculture. The foremost critics of the Government of India, moreover, are townsmen who

display an abysmal ignorance of the problems of the cultivator.

When the present Viceroy foreshadowed an intensive agricultural policy the leader of the Swarajist party's comment was: "The new Viceroy was about to come out with some agricultural scheme and divert their attention from the real object." Sir Mahomed Habibullah, a Member of the Government of India, delivered a speech on the same subject, whereupon a newspaper generally regarded as the mouthpiece of a leading Indian politician ridiculed the idea that the policy announced would be of direct benefit to India, and it added: "It could not be pretended that the expenditure on agricultural improvement had been anything but a dreadful waste." Yet any one possessing even an elementary acquaintance with the work of the Agricultural Departments knows full well that the comparatively small amount of money expended on these Departments has given almost miraculous results. The one criticism that might be levelled against Government is that the financial resources which they have supplied have been inadequate. Agriculture is now committed to the charge of Indian Ministers in the various Provinces; but long before the Reforms were heard of, the Imperial Institute of Agriculture at Pusa and the Agricultural Departments of the

Provincial Administrations had added materially to the wealth of the people. The obstacles they had to surmount were formidable. The Indian agriculturist is far from being hopelessly conservative where farming is concerned. He is willing to adopt new methods when it has been proved to him that his interests lie in following that course. But in order to convince him it is necessary to give him practical demonstration of the value of the changes commended to his notice, and the scientists brought into the country by the Government have lived among the peasantry and worked assiduously to persuade them of the efficacy of the new methods. The production of new varieties of crops, which is one only of the many activities of the Departments, has brought most remarkable results. In his latest Review of Agricultural Operations, Dr. Clouston, Agricultural Adviser to the Government of India, shows that nearly 7,500,000 acres were sown in 1925—26 with improved varieties of seeds, by means of which the annual value of the produce was increased by nearly $7\frac{1}{2}$ crores of rupees, or roughly, ₹5,600,000.

This, however, is only a partial statement of the case. In the first place, selected varieties of seed are now in such general use that departmental figures no longer cover the whole field. Again, it has been shown in previous Reviews

that the sum of Rs. 10 per acre given by the Agricultural Adviser as the measure of the money value of the enhanced yields is an understatement. In a recent year 2,348,000 acres were sown with improved varieties of cotton. Half a million acres of this area were situated in the Bombay Presidency, where the new varieties gave an increased return of Rs. 15 per acre on quality alone. In the Punjab there were 600,000 acres under American cotton which brought additional revenue to the grower of well on towards £2,000,000. In Madras the introduction of Cambodia cotton enabled the ryot to secure from Rs. 150 to Rs. 200 per acre from land which formerly yielded from Rs. 40 to Rs. 60 per acre. The increased value of the crop from 1,400,000 acres of wheat of improved varieties was estimated at Rs. 20 per acre, giving a total equivalent to more than £2,000,000. Even greater benefits are promised by the new types of sugar-cane that have been introduced.

The activities of the Agricultural Departments embrace many other subjects, notably the improvement of the breeds of cattle, the protection of plants from insect pests and of animals from disease; the provision of new fertilisers, of more efficient implements for tilling the soil, and of new types of wells and water lifts. Some idea of the importance of the work of the scientific

entomologists may be gathered from the estimate that damage to the extent of £135,000,000 annually is done to the crops by insect pests.

In their efforts to improve the breeds of cattle the Departments have met with many difficulties. The inferiority of the ordinary Indian indigenous bovine animals reacts prejudicially on the public health, owing to the smallness of the milk yield of the cow, and it is a notorious drawback to agricultural prosperity. The Hindu veneration for the cow, which has already been mentioned, constitutes an obstacle to the extirpation of bovine diseases, and prolongs the existence of animals which, while worthless in the economic sense, consume fodder urgently needed for useful cattle. In their work of improving the breeds the Agricultural Department have sought to produce stronger animals for ploughing the fields and other farming operations, and cows giving higher yields of milk than have hitherto been known in India. The success achieved is calculated in the course of time materially to enhance the prosperity of the country and to provide a sufficient supply of milk to meet the requirements of the population. While the average yield of an Indian cow during the lactation period is about 800 lb., there have been produced at Pusa, by selective breeding, cows giving five times that quantity, and by the introduction of Ayrshire

bulls, animals which yield as much as 12,000 lb. As there are over 150,000,000 of cattle in British India it is not difficult to imagine the enormous potentialities that lie in the substitution of valuable stock for the inferior animals now in use.

The brief outline given here of the results obtained by the Agricultural Departments will suffice to dispose of the suggestion that agricultural interests are entirely neglected by Government, and that money expended in the operations has been "a dreadful waste."

DEFEATING THE USURER

The co-operative movement, which owes its inception to the British administration, contains the germ of economic salvation for the Indian people. More than twenty years ago Sir Frederick Nicholson, after an investigation on behalf of the Madras Government of the results of co-operation in European countries, presented a report in which he advocated the introduction of co-operative credit societies in India. In Northern India other British officers, including Sir Edward Maclagan and Mr. Dupernex, were moving in the same direction. The outcome of their proposals was the enactment of legislation to give practical effect to the project, and notwithstanding the hostility of the village money-lender,

the movement has spread with marvellous rapidity. The village usurer often charged 40 per cent. for his advances ; he mulcted his victims in compound interest, and by means of false accounts added to his own gains and to the poverty of the peasantry. He was ready to thrust loans upon cultivators whose land was now acquiring a high value owing to the action of an enlightened Government, the result being to encourage extravagance and improvidence among a population notoriously thriftless in their habits.

The credit society, consisting of the villagers themselves, is able to provide the cultivator with the finance he actually needs at a fair rate of interest, and at the same time to check extravagant and improvident habits among its members. The moral as well as the material effects of the system have been astonishing. Drunkenness in many cases has led to the disgrace of expulsion from the society ; co-operation has given the villager a new outlook on life, has created an interest in education and in sanitation, and has proved a stimulus to habits of thrift and industry which are of incalculable value. The story of the progress of co-operative credit in rural India may truthfully be said to constitute one of the most fascinating pages in the annals of the people. It has in some Provinces aroused the

peasantry to a recognition of the extravagance involved in reckless litigation, and led to the substitution of local arbitration for recourse to the courts; its activities extend over a wide field both in the rural areas and in the towns. There are societies which sell agricultural machinery and implements, others which purchase and distribute seed on a co-operative basis, others still which concern themselves with cattle breeding.

In Bengal there are seventy-four milk societies, seventy-one of which are affiliated to the Co-operative Milk Union in Calcutta. The cotton sale societies in the Bombay Presidency carry on business on a substantial scale, and the movement has been so successful there that it has spread to the neighbouring State of Baroda. Co-operation, again, has rendered possible a beginning of the voluntary process of consolidating the "fragmented" holdings which constitute so serious a stumbling block to rural prosperity. In 1912 the number of registered co-operative societies in existence was 8,000; to-day there are over 70,000, with a total membership of 2,500,000, consisting mainly of peasants. The task of creating this vast network of beneficent organisations has been attended with the difficulties inherent in dealing with a primitive agricultural population. But the abuses which

crept in, largely owing to the inexperience of the people, are being eliminated, and the villager who has become a member of a co-operative society is inspired with new hope and faith, and is ready to participate in economic and moral projects which had no meaning for him in the days of his servitude to the money-lender.

Dr. Rutherford actually admits that good has been accomplished by co-operation, but he forthwith proceeds to assert that what is really needed is nationalisation of the land (which exists in theory and largely in practice in India), and to declare that "India awaits with impatience the happy day when her affairs shall pass from the obstinate, self-satisfied and exploiting bureaucracy to a truly National Government, sympathetic and responsive to India's public opinion, and bent on developing India's vast potentialities in field, mine and industry, and on making India the treasure-house of Indians and no longer the exploiting ground of Britons." Comment would be idle in the face of such fatuity.

HOW FAMINE HAS BEEN FOUGHT

A PART from the disabilities under which, owing to the operation of deep-rooted social and religious customs, the masses of India labour, they have from time immemorial been subject to the grave economic evils resulting from the vagaries of the monsoon rains. The terrible famines with which the country was formerly afflicted arose mainly from drought or excessive rainfall, either of which inevitably caused a failure of the crops. The ravages of hordes of rats and other animal pests often added to the misery of the people, and before the British established peace throughout India, marauding armies or bands of freebooters inflicted untold misery upon the peasantry, akin to that which has to be endured by the Chinese people to-day.

Contemporary writers have given vivid descriptions of the horrors of the famines with which India was visited in the seventeenth century. As a result of the suffering caused by the great famine of 1630-31 whole families took poison as a means of escape from a life that had become unbearable; men were afraid to go out into the

roads lest they should be murdered and eaten. The drought was followed by a plague of locusts, rats, mice and other vermin, which devoured everything that lay in their way. The troubles of the unhappy people were too often accentuated by the presence of rival armies, which barred the way to the bringing in of grain for their relief.

The establishment of internal peace helped to mitigate the evils described. But the danger of drought and floods remained. It might be imagined from the diatribes of reckless critics that the British have tacitly acquiesced in the misery created by drought, or have, at all events, failed to adopt effective remedial measures to mitigate it. The reports of the various Famine Commissions show that nothing could be farther from the truth.

There has been no attempt to conceal the suffering attendant on the failure of the rains, while, on the other hand, successive Famine Commissions have anxiously sought to learn from the experience of the past and to devise measures for the protection of the cultivators. That famine has been the means of causing great mortality in the past none would attempt to deny. But highly coloured descriptions of the evils arising from failures of the crops in the nineteenth century continue to be repeated *ad nauseam* by writers whose sole aim is to discredit British administra-

tion. What, it might legitimately be asked, would be the condition of Great Britain if for a period of six months the industries upon which the nation depends for its existence were to come to an absolute standstill? That is the problem with which India has repeatedly been faced, not through the malevolence of its administrators, but owing to vagaries of Nature which are beyond the control of man.

The activities of the Agricultural Departments and the creation of co-operative societies, which have already been discussed, have helped to strengthen the resistance of the people to famine. But the two most effective instruments in providing protection against the consequences of drought or floods have been the creation of a railway system and the provision of the finest irrigation works in the world. Before railways existed there might be a crop failure in one part of India and a bountiful harvest in another. The absence of means of transport rendered it impossible to bring food from the areas in which it existed in abundance to the districts in which the crops had entirely failed. That factor has been removed by the construction of railways, which has, moreover, enabled the cultivator in periods when crops are normal to find profitable markets for his surplus produce.

There is room for additional railway lines in

India, and construction is still being carried on. But to-day, notwithstanding the delays which have occurred from time to time in embarking on fresh projects, India possesses a railway system of some 40,000 miles constructed at a cost of well on towards £600,000,000. The rates and fares in operation are believed to be the lowest in the world, and the fact that in a single year nearly 580,000,000 passengers are carried, is proof of the readiness with which the people avail themselves of the facilities provided.

The benefits conferred upon India by modern irrigation works and railways are recognised even by hostile English politicians. Yet one of these critics has the temerity to assert that, "The monetary and materialistic interests—the basest interests of mankind—of the British bureaucracy and of capitalism, united them in a common policy of political and economic subjection of the people of India." Without British capital India would still be at the mercy of famine; it is the British connection that has enabled her to borrow money on almost equal terms with the British Government. To-day, thanks to the careful husbanding of her resources by the "bureaucracy," she is able to raise within the country almost all the financial accommodation necessary for the purposes of the administration.

THE BLESSINGS OF IRRIGATION

THE great canal irrigation works constructed by British and Indian engineers are at once a source of profit to the cultivators whose fields are supplied with water and to the general Indian taxpayer. Before these works were constructed irrigation was provided by means of wells, reservoirs and inundation canals. But there was nothing in the shape of controlled irrigation, and as Mr. Frederick Palmer pointed out in the very striking Presidential address which he delivered last November to the Institution of Civil Engineers, nearly 90 per cent. of the cultivable area of the country was wholly dependent on an uncertain rainfall.

The work of engineers on irrigation was commenced more than a century ago. In 1866 the policy of obtaining Government loans for this purpose was inaugurated; since that period remarkable progress has been made. In the Punjab great desert wastes have been converted into fertile land and the Province has been freed from the peril of famine. In the course of fifty years an increase of over 7,500,000 acres was recorded in the area irrigated by canals in the

Punjab and the crops secured by the provision of water through their agency was estimated in 1919 at over £40,000,000. The Punjab Canal Colonies alone cover an area of some 5,000,000 acres, and the annual value of their crops is £20,000,000 in all. Owing to the extension of irrigation the value of the wheat exported from the Punjab increased in the course of forty years from £30,000 to over £10,000,000, and the Province is now among the great wheat-growing areas of the world.

There is no part of India in which canal irrigation is possible that has not benefited from the engineering works that have been constructed, and it is estimated by a competent authority that when the whole of the projects now in hand or in course of preparation are completed the actual area under irrigation in each year will be nearly equal to the area of Great Britain. The most notable scheme in hand includes a great barrage, 4,720 feet in length, across the Indus at Sukkur in Sind, which will command an area of 7,500,000 acres and provide water in each year to a tract of country, now largely barren waste, equal in extent to the cultivable area of Egypt.

Yet with all the facts that have been cited open to the world, it is still alleged that Britain is holding India simply for the purpose of cruel extortion.

An effective reply to the reckless statements written about famine is found in the fact that although during the past twenty years the country has been visited with two of the most severe droughts ever recorded the number of deaths from want of food have been almost *nil*.

SECURITY AGAINST FAMINE ESTABLISHED

During the years 1907 and 1908 the failure of the rains in the United Provinces of Agra and Oudh tested alike the efficacy of the measures concerted to deal with such an emergency and the power of the people to withstand the consequences of the failure of their crops. The United Provinces cover an area of over 107,000 square miles, and at the census of 1901 contained a population of 47,691,000, apart from the two small Indian States of Tehri and Rampur, the area of which is 5,089 square miles and the population 802,097. The whole of this great territory was affected more or less seriously by crop failure, and relief operations were found necessary over an area of 66,000 square miles containing a population of nearly 30,000,000.

After the troubles had been successfully surmounted, Sir John Hewett, then Lieutenant-Governor, wrote an exhaustive and lucid review of the measures that had been taken for the relief

of distress. It is inevitable in a year of drought that the water supply should be rendered more liable to contamination, and epidemic diseases are likely to be more rife than in normal times. No doubt, moreover, as Sir John Hewett pointed out, in periods of scarcity people eat what they avoid in other circumstances, and consequently many deaths occur from diarrhœa and dysentery. The Lieutenant-Governor, however, declared that "eleven deaths only, or about a quarter of the number reported due to this cause in London last year, were recorded, which, after full inquiry, could be attributed directly to want of food. There was no inclination to conceal deaths due to starvation, and the fact that so few deaths occurred is an eloquent testimony to the adequacy of the relief measures." After paying a tribute to the officials and the non-official helpers whose efforts contributed to the success of the relief operations, Sir John Hewett affirmed that those on whose behalf the work of relief was undertaken were reported on all sides to be most grateful to the Government for the help that had been given them. Their expression of this feeling had, he said, probably been more articulate than on previous occasions, and opinion was unanimous that people were not only grateful but also contented. The general verdict was that the trial through which the Province

had passed had served to bring all classes into closer sympathy with each other and with the Government.

A far more widespread failure of the monsoon rains was experienced in 1918-19. Not a Province in India remained unscathed, and the trouble synchronised with a period of abnormally high prices, largely due to the effects of the War. So great was the shortage of rain that the consequent loss of foodstuffs was estimated at no less than 20,000,000 tons, and the price of grain soared to a level never before experienced. The Government resorted to vigorous measures in order to meet the situation, including the importation from Australia of 200,000 tons of wheat. This action had a steadying effect on the price of the cereal and helped to restore public confidence. Meanwhile, owing to the high world-price of raw cotton, the cost of their clothing to the poorer classes became a serious problem. Steps were accordingly taken to manufacture standardised cloth which could be sold at a low figure, and this too had beneficial results. What emerged from the experience of that trying period was that even in the areas where the rise in prices was most acutely felt, the agricultural population showed powers of resistance never before experienced. Distress, even in backward areas never became critical, and the maximum number

of people on famine relief at any one stage of the shortage was under 600,000, or one-tenth of the number similarly placed through the crop failure of 1900. India can never be assured of good monsoon rains, but her people may now regard the evil of drought with a sense of security hitherto unknown in the history of the country.

THE "UNTOUCHABLES" AND SWARAJ

SOCIAL reformers in India have long deplored the terrible disabilities imposed by the caste system on many millions of their fellow-countrymen. This is a question that anti-British writers generally avoid, or if they refer to it at all, suggest some fatuous remedy for the evils that arise from it. Others declare that class distinctions prevail in every country, and that the implications of caste are found in England as well as in India. This is a mere travesty of the case.

An eminent Indian, Sir M. Visvesvaraya, K.C.I.E., late Dewan of Mysore, lucidly epitomised the position when he wrote: "Social distinctions exist in every country—distinctions based on wealth, birth or occupation. No country outside India has, however, a social system which cuts at the very root of human brotherhood, condemns millions of persons to perpetual degradation, makes people hyper-exclusive, magnifies religious differences, and disorganises society."

The "depressed classes" or "untouchables" suffer most severely in Southern India, though the devoted labours of Christian missionaries

have helped to raise many of them to a higher level of citizenship. In recent years, moreover, they have sought themselves to gain the elementary rights of humanity, which are denied them, not by members of an alien race, but by their own fellow-countrymen. The efforts of Government have to some extent been successful in raising the status of the depressed classes by insisting on their children having access to public schools, and saving them from cruel economic oppression. But no Government can prevent one man from regarding the very presence of another as constituting pollution, or looking upon him as outside the pale of humanity.

A highly interesting incident bearing upon this subject occurred during the Prince of Wales's visit. While the Prince was at Delhi there was being held in that city an "All-Indian Conference of the Depressed Classes" which was attended by thousands of delegates. The reply of the Prince to a loyal address of welcome from the Conference, so delighted the outcastes that they sent representatives to present an address personally to His Royal Highness, this address concluding by requesting him "to convey to His Imperial Majesty our message that there are in India 60,000,000 of human beings who are untouchables, and that these should be raised if India is to be made fit for Swaraj."

In the census report of 1911 twenty-two castes or tribes in the Province of Bihar and Orissa, comprising 8,250,000 persons, were recorded as "causing pollution by coming within a certain distance," and at the following enumeration in 1921 it was stated that not less than one quarter of the whole population of 34,000,000 consisted of untouchables.

A POIGNANT NARRATIVE

It is in Southern India, as has already been stated, that the treatment of the "untouchables" assumes its worst form. A special officer of the Madras Government is entrusted with the duty of protecting the interests of these unhappy people and improving their educational and economic status, and this gentleman has placed on record a poignant narrative of their unhappy condition. It was found that in no less than six districts of the Province more than one person in every five was theoretically not allowed to come within a distance of 64 feet of the higher castes without causing pollution. The public water supply was forbidden in nearly every village to castes which numbered one-sixth of the population. An English visitor, "a pronounced nationalist," while driving through a municipal town with an Indian student, was surprised at a

request from the latter that he might be permitted to get out and walk and rejoin the Englishman later on. The visitor's surprise was intensified when he discovered that the student's reason for descending was that, owing to caste prejudices, he was not allowed to pass through a certain street.

The economic evils suffered by the Panchamas, as they are known in the Madras Presidency, are deplorable. The special officer discovered that in many parts of Tanjore and in other districts the Panchama, whether farmer or labourer, was continually a loser in buying the necessaries of life and in disposing of his produce, owing to his inability to enter a shop or even to pass through the streets where the ordinary shopkeeper lived. Many of the hamlets inhabited by Panchamas were cut off from access to the main village or the road except at the goodwill of the owners of the field they must traverse. That conditions are improving is beyond doubt, and the people concerned have shown by their own action a determination that their servitude shall not be perpetuated.

Those who are ready to settle the future of India with a rhetorical phrase or the stroke of a politician's pen, may be reminded of the evidence given before the Lee Commission by representatives of the outcastes in Madras and

Bengal. The Madras witnesses declared that the improvement in their position as a community had been mainly due to the British Government and the European services, and they feared that if those services were reduced they might lose what they had already gained. The representatives of these classes in Bengal also expressed apprehension as to their future, and urged that every step taken towards responsible government should "be accompanied by every conceivable caution."

THE PROBLEM OF INDUSTRIAL LABOUR

THE conditions of labour in industrial work in India have been the subject of considerable discussion of late, and trade union delegates from England have visited the leading centres of the textile industries in order to investigate the position for themselves. Adverse criticism mainly centres itself on Bombay, where a great cotton industry owes its existence to the enterprise of Indian capitalists. The wages of the individual operative here are very low, judged by British standards, but, on the other hand, it is only fair to the Indian employer to remember that the efficiency of labour is also low, so that in practice its actual cost is high. In the report on their investigations in India on behalf of the United Textile Factory Workers' Association, Mr. James Hindle, J.P., and Mr. M. Brothers, of Blackburn, stated that the number of operatives per loom or spindle employed in India is four times as great as that considered necessary in Lancashire. The Indian textile operative, said these two trade union representatives, lacks the skill, the stability and stamina of our workpeople. The textile

mills, they went on to state, have a sixty hours' statutory working week of ten hours per day, but the operative is not engaged continuously, time being allowed for prayers, bathing and smoking. It was questionable if more than eight hours' productive labour was obtained from the individual operative.

It is noteworthy, moreover, in view of the charges so often levelled against European employers, that Mr. Hindle on his return from India stated: "Wherever we saw industry organised or managed by European firms, there we saw both native labour and housing conditions under better circumstances than in almost any district where labour is run by native employers." The Buckingham and Carnatic Mills in Madras, which are under European control, have long enjoyed a high reputation for the care they bestow on the welfare of their operatives. Of great interest again is an account issued in pamphlet form of the welfare work of the British India Corporation, which comprises a number of important mills at Cawnpore under European control, and a mill in the Punjab. The work, the directors wrote, represents "a frank and practical recognition of our responsibility for the welfare of the many thousands of people who co-operate in the productive activities of this Corporation." Over 6,000 of the employees and their families

are housed in the dwellings erected by the Corporation, the rents paid ranging from 1s. 8d. a month for single quarters to £1 5s. for small bungalows. Quarters are maintained in full repair and effective conservancy is provided at the expense of the employer. It is further shown that doctors, nurses, teachers and school supplies, as well as help for the sick and the poor, are given free by the Corporation, which also provides nine well-staffed and well-equipped dispensaries, seven for males and two for females, three mill crèches and two "Baby Welcomes." Other amenities include six schools and two industrial classes for operatives and their families, large playgrounds, weekly lantern lectures, a provident fund, a superannuation fund, a co-operative society and a house for widows.

The task of raising the status of Indian industrial labour as a whole is obviously no light one. But advance is being made, and in Bombay, where appalling congestion has existed, a vast amount has been done and much capital has been expended on housing. The tendency of the people to crowd together is an obstacle which has to be surmounted, and it is significant that the Lancashire trade union officials, whose report has already been mentioned, realised that where dwellings have been provided, the classes for whom they are intended too often fail to take

full advantage of them. The houses owned by mills are better and cheaper than those owned by private individuals. The Government of Bombay, moreover, as Mr. Hindle and his colleagues point out, have built tenement blocks for the working classes and let them at an uneconomic rent. But out of 16,000 rooms, 11,000 were unoccupied. The reasons for this are well known in India. But considering the uninformed versions that have found publicity in England, it is pertinent to quote again from the Lancashire report, which says: "In spite of dirt and discomfort, the poorer people prefer to live in privately-owned dwellings. They claim to have more freedom and independence. In the Government chawls and those owned by the mills there is more supervision; and tenants are not allowed to take in lodgers."

It was stated in the debate on Lord Winterton's statement in the House of Commons in July, 1927, that it is not necessarily poverty that causes many Indians to live under conditions that would be regarded as highly unsatisfactory in England. While I was in Bombay I was driving with a well-known member of the Indian Medical Service, who asked me to wait outside a house while he went in for the purpose of a consultation with an Indian colleague over a sick child. When the doctor returned he remarked to me that while

the father of the child was a well-to-do man, possessing property to the value of two and half lakhs of rupees (over £18,000), yet he and his wife and his little son were living in a single room.

It has to be borne in mind in considering the Indian industrial problem that the Indian industrial labourer as a rule is a peasant who has migrated temporarily to the city. Most of the mill operatives return to their villages at certain seasons of the year to work on their land. The uncertainty in regard to the labour supply resulting from this fact increases the difficulties of the employers and the custom helps to explain why Indian mill labour is inefficient compared with English labour.

No one could contend for a moment that the condition of the Indian industrial classes as a whole is ideal, for that would obviously be untrue. At the same time there is no foundation for the assertion that neither Government nor employers have concerned themselves seriously with the problem of improving the lot of the workers.

The Government of India's record in regard to labour legislation compares favourably with that of many other countries. India has taken an active part in the International Labour Organisation associated with the League of Nations, and

unfeigned satisfaction was expressed when an eminent Indian, Sir Atul Chatterjee, was elected to preside over the recent International Labour Conference in Geneva. Legislation for the benefit of the industrial classes includes a Factories Act which limits the hours of Labour to sixty per week, provides for a compulsory weekly holiday, and fixes a minimum age for the employment of children at twelve. A Workmen's Compensation Act is also on the Statute Book, and a Trades Union Act has been passed which came into operation in 1927. It is significant that the Bombay mill owners attribute the present depressed condition of their industry largely to Japanese competition, the strength of which lies in the inferior conditions imposed upon labourers in that country.

It is unquestionable that the employment of British capital under European direction has helped materially to strengthen the economic position of India, and it has provided a valuable means of mitigating the evils arising from the failure of the crops. The jute industry in Bengal owes its inception and success entirely to British enterprise, and the same may be said of the tea gardens of Assam and of other tea-growing areas. Indians, however, are showing an increasing tendency to embark in industrial ventures, though their most notable activities have been

confined to the Bombay Presidency, or have, as in the case of the great Tata Steel Company, derived their inspiration from Bombay.

Labour for the tea gardens is mainly recruited from districts in which there is a surplus population willing to migrate from their homes to find employment. This recruitment is carefully supervised by the authorities, and when they settle in the gardens the tea coolies are provided with land in the neighbourhood of their work, which they cultivate for themselves. Many of them when questioned declare that they are so satisfied with their environment that they do not propose to return to their old homes. During its recent tour the Royal Commission on Agriculture in India visited Darjeeling and Assam, and its members are in a position to say whether the labourers are underpaid or oppressed. Yet Dr. Rutherford is not ashamed to assert: "The author of 'Uncle Tom's Cabin' would find in too many plantations facts upon which to write another story to stir the indignation of the world." Apart from considerations of humanity and legal obligations, both of which are present in the tea districts, the supply of labour for tea cultivation is far too limited to permit of the crops being jeopardised through the shortage of coolies which would inevitably follow ill-treatment on the part of the planters.

EDUCATION AND THE MASSES

THE question of educating the Indian masses is a matter of profound moment. But those critics of Government who, with no first-hand knowledge of India, imagine the task of providing primary education for the population at large to be a simple one, would do well to consider a few elementary facts. The area of British India is 1,094,000 square miles, and its population is considerably more than double that of the United States. Of this great mass of humanity 222,000,000 millions are country people, residing in some 499,000 villages. Putting aside differences of language, religion and caste, it is evident that the provision even of elementary education for so vast a number of human beings demands huge expenditure, and that the training of an army of teachers is a formidable undertaking.

It was recently declared with emphasis that "The popular cry in India to-day is for elementary education, and so far as the Government of India is concerned, it is like one crying in the wilderness." The truth is that there has never been a "popular cry" for education, and

that is why compulsion is being tried in a number of Provinces with the object of ensuring that children shall not be removed from school at a tender age, before they have imbibed any knowledge that is likely to be of the slightest value to them in later life. Nor is the Government of India responsible for education, which is one of the subjects entrusted to Indian Ministers in the various Provinces. But though there has been no popular cry for elementary education, an incessant demand has been forthcoming from the "intelligentsia" for universities, and as a result great numbers of graduates, who find it difficult to obtain the kind of employment which suits their inclinations, are being turned out with machine-like regularity. In this respect the educational system has been top-heavy, but there is gratifying evidence of a great improvement to-day in regard to children of both sexes. In Bengal, as Lord Winterton showed in his recent statement in the House of Commons, there are now 57,000 educational institutions, and in Madras 460,000 girls are attending schools.

The Director of Public Instruction in the Punjab, in his evidence before the Linlithgow Commission, stated that he hoped that in the course of the next five years 80 per cent. of the children of school-going age in that Province would be receiving instruction. Schools for

adults have, moreover, been established in the Punjab, and are being attended by a substantial number of grown-up people. The educational outlook in India is therefore highly encouraging, though many difficulties have yet to be overcome.

CHILD MARRIAGE AND PHYSICAL WELFARE

The physical inefficiency of so many of the Indian masses constitutes a problem which must prove difficult of solution, so long as existing social and religious customs continue to prevail. In relation to this question, Lieut.-Colonel Graham, I.M.S., Public Health Commissioner with the Government of India, gave important evidence before the Linlithgow Commission. It was doubtful, he said, whether any Government in the world could show a better record of State aid in regard to medical education and medical relief than the Government of India. "In the matter of public health, however," he added, "we are at once up against the rooted prejudices of a highly conservative congeries of people in whom, in many instances, religious practices enter largely into domestic affairs, especially in regard to illness and nutrition. It will, therefore, be readily understood why the deliberate policy of Government in public health matters should have been to lead rather than to compel, and to

propagate with a view to creating in time a public health conscience."

The custom of child marriage has effects on the great Hindu community which it would be difficult to exaggerate. For years past enlightened reformers have inveighed against this custom with little success. In a debate in the Legislative Assembly a couple of years ago I heard a high-caste Hindu maintain that the raising of the age of consent in regard to child wives would disintegrate Hindu society. On the other hand, in the paper which he edits, Mr. Gandhi last year quoted with approval from a striking article in another journal, which declared that child marriage was sapping the vitality of thousands of the most promising boys and girls; it was bringing into existence thousands of weaklings who were born of immature parents; it was a fruitful source of the appalling child mortality that prevailed in Hindu society. Well might Lord Winterton, in directing attention to the subject, make an earnest appeal to both sides of the House of Commons not to ignore this factor and the condition of Indian child widows, who can never re-marry, when dealing with the moral and physical progress of the Indian people. In her recently published book, "Mother India," Miss Katherine Mayo, an American writer, has dealt with the terrible facts with a frankness that

has attracted to Indian social problems an attention never before accorded to them.

The economic prosperity of India and the happiness of many millions of the people of that great country are involved in these problems, and it may be hoped that henceforward more strenuous and effective efforts will be made to remedy evils which hitherto have proved a formidable bar to India's progress. It is of good omen that since the publication of Miss Mayo's book the Legislative Assembly has welcomed the introduction of a Bill to render invalid the marriages of Hindu girls below 12 years of age and boys below 15, and that an orthodox Brahmin who formerly was a strong opponent of the measure spoke in favour of its reference to a Select Committee.

INDIA'S STEADY ADVANCE

THE facts which have been set out in the present brief review should be sufficient to satisfy any unbiassed mind that, whatever its shortcomings may have been, British administration has honestly been directed to the furtherance of the welfare of India. Those who seek to combat this proposition almost invariably adduce in support of their case statements made or alleged to have been made in years long gone by, many of which were challenged at the time and are now thoroughly discredited. The critics of British rule in India forget, or at all events omit to state, that the condition of the people has undergone a marvellous change in the past half century; that *even in England* the Education Act of 1870 was passed within the memory of many who are alive among us to-day, and that it is only in comparatively recent years that the importance of sanitary and public health questions have been brought home to the public mind in this country.

The difficulties of effecting social reforms in England have been formidable enough; in

India they are ten times greater, and in India powerful associations of private citizens, which in England have played so great a part in the moral and material welfare of the community, are unhappily few. But India is advancing; habits of thrift are beginning to make their way; there are over 2,000,000 small depositors in the Post Office Savings Bank, with some £20,000,000 standing to their credit. The increase both in deposits and depositors has been rapid in recent years and is a tribute to the security felt in the Government. In time the practice of hoarding the precious metals may cease, and when that day comes an enormous advance in the development of India's great natural resources should be witnessed. It is difficult to reconcile the theory that India is poor with the colossal absorption of gold and silver which has been proceeding for many generations, and has amounted in the past few years to the equivalent of hundreds of millions of pounds. In 1924-25 alone the net imports of silver and gold reached 20 crores and nearly 74 crores of rupees respectively, or more than £70,000,000 in all. If only a small proportion of the wealth represented by the hoards of the precious metals had been devoted to productive purposes, what a marvellous stimulus might have been given to India's economic prosperity.

When the present financial situation is examined, however, a gratifying development is found in the ability of the Government of India to raise internal loans instead of having to resort to external borrowing. This was thought to be impossible ten years ago, but it is the fact that there has been no issue of a long-term sterling loan since 1923. On the contrary, not only has it been possible for the Government to finance its capital requirements for railway and other purposes in India, but, with the provision made in the Budget for the current year, £11,250,000 of sterling debt has been paid off since 1923-24.

A SOUND FINANCIAL POSITION

The position of India in regard to public debt is one which England might well envy. Sir Basil Blackett showed in the financial statement which he presented to the Legislative Assembly in February, 1927, that while the indebtedness of the country amounted in round figures in 975 crores of rupees, or £731,000,000, no less than 774 crores, or £580,000,000, is represented by railways, irrigation works and other assets yielding a large revenue to the Government. The non-productive debt is less than 202 crores, equivalent roundly to £152,000,000, and is steadily being reduced. These figures provide

illuminating proof of the care with which India's finances have been administered. Further, individual Indian investors have been buying Indian stock in London, and Sir Basil Blackett's comment on this process was that it might legitimately be regarded as the first step towards India's becoming a creditor nation in the ordinary sense of that phrase.

For four years in succession the Indian Budget has shown a realised surplus, so that instead of increasing taxation it has been possible to reduce it.

AGITATION AND DISORDER

INDIA has no greater enemies to-day than the men who endeavour to palliate rioting and outrage by laying the blame at the door of the Government. The most mischievous chapter in Dr. Rutherford's mischievous book, therefore, is that relating to Mr. Gandhi's non-co-operation movement. The orgy of crime and violence which followed in the train of non-co-operation was marked by almost incredible barbarities, for while the great mass of the people is law-abiding, there are in India, as elsewhere, dangerous and desperate elements which when let loose are capable of terrible excesses. Dr. Rutherford, in describing the measures taken to cope with the lawlessness engendered by the non-co-operation campaign, writes: "Carte blanche was given to the police to crush the movement, and coercion produced reprisals, collisions between the mobs and the police, and murders and incendiarism, just as happened in Ireland when the British Government gave way to lawlessness." Again, he asserts that with the growth of the national movement the "brutal repressions" (the phrase

is attributed to the French writer, Romain Rolland) and immorality of the Government increased beyond all bounds. A more wicked travesty it would be impossible to imagine.

Mr. Gandhi's activities in this direction originated during the agitation against what were known as the Rowlatt Acts. It is well that the intention of these measures and the events which followed their introduction should be clearly understood. During the War it was found necessary to take special precautions to suppress the activities of the revolutionary party. Since the Defence of India Act, which gave the Executive the necessary powers for this purpose, would expire six months after peace had been declared, the Government appointed a Committee to investigate the position and to recommend any legislation that seemed to be required to take its place. This Committee was presided over by an English Judge, Sir Sidney Rowlatt, the other members being the Chief Justice of Bombay, an Indian High Court Judge from Madras, a distinguished non-official Indian lawyer, and a senior member of the Indian Civil Service. The report of this Committee, preponderatingly judicial in its character, not only disclosed the existence of a widespread revolutionary movement, but showed that poisonous propaganda had been carried on in colleges and schools. The crimes committed

by the revolutionaries had been marked by appalling brutality; the criminals were so successful in terrorising potential witnesses that it was almost impossible to obtain convictions in the courts. In Bengal alone 311 outrages had been committed between 1906 and 1918. Yet out of 1,000 persons accused of participation in these crimes, eighty-four only were convicted.

The effect of the Defence of India Act had been to keep terrorism in check; its expiration would have meant the release of some of the most dangerous of the anarchists who had been arrested under its provisions, and there was solid reason to believe that they would seize the first opportunity to resume their criminal operations. The Rowlatt Committee accordingly presented definite suggestions to the Government for meeting a grave danger to law-abiding people. There was nothing in the Bills embodying the Committee's proposals which threatened the liberty of any good citizen. I heard the whole of the debates on these measures in the old Legislative Council, and no impartial listener could fail to be impressed by the failure of the opposition speakers to deal with the Government's actual proposals. The speeches were confined in the main to irrelevant denunciations of the authorities, and to frantic assertions that if the Bills were passed a reign of terror would result,

rendering the lives of Indians intolerable. The inauguration of an agitation throughout the country was also threatened.

MENDACITY AND REBELLION

The agitation came with a vengeance, and the storm of fury created by reckless politicians soon got beyond their control. But it was not the provisions of the Rowlatt Acts that caused the rising in the Punjab. An honest exposition of those provisions would have left the people cold. Accordingly, a campaign of irresponsible mendacity, unparalleled perhaps even in India, was set on foot. The Acts, the masses were assured, would enable the police to arrest any three Indians who were seen talking together; they gave the Government the right to seize the cultivator's crops and to deprive him of his land. It was also declared that the authorities would now be able to levy taxes on the ceremonies attendant on marriages and death.

Mr. Gandhi had appeared on the scene when the Bills were still under discussion, and had announced that he would lead a passive resistance movement if they were passed. His activities included the formulation of a pledge which was widely taken by his followers. This pledge concluded with the declaration that in the event of

the Bills becoming law and until they were withdrawn, "we shall refuse civilly to obey these laws and such other laws as the committee to be hereafter appointed may think fit, and we further affirm that in the struggle we will faithfully follow truth and refrain from violence to life, person or property."

So far from the agitation being conducted on peaceful lines, it soon developed into unrestrained violence, and in the Punjab into open rebellion. Mr. Gandhi now admitted that he had done wrong and announced the suspension of passive resistance. But his repentance came too late. Among other evils which the Punjab outbreak had inflicted upon India was an invasion from Afghanistan, for there is little doubt that the belief that the country was given over to disorder was a determining factor in causing the Afghan invasion. The heavy expenditure on the Afghan War and the deaths of many British and Indian soldiers on the North-West Frontier were a part of the price paid for this insensate agitation.

THE HORROR OF MALABAR

But the lesson had not been learned. Soon after the terms of peace with Turkey were announced, Mr. Gandhi associated himself with the Mahomedan extremists who had been carrying

on an intensive agitation on behalf of the Turk. The "wrongs of the Punjab," that is the measures taken to suppress the rebellion, were also put forward as constituting an intolerable grievance. This combination led to the launching of a fresh non-co-operation campaign, the principal exponents of which, as the Government of India declared, sought to dig up the foundations of British government in India, and the leaders promised their deluded followers that if only their gospel were generally accepted India would be self-governing and independent in a year. The boycott involved in the campaign was strongly reprobated by responsible Indians, and was doomed to failure. But before its failure was complete it had inflicted grave injury on many thousands of people, and especially on children and young students who had been induced to leave Government educational institutions. Of far graver moment were the outbreaks of violence witnessed in all parts of the country. Sir Sankaran Nair, a Nationalist politician and a former member of the Government of India, has recorded in a striking book the story of foul barbarities and unspeakable crimes which followed the inauguration of "non-co-operation" and "civil disobedience." Not only was there cruel persecution of living Indians who had incurred the displeasure of the "National

Volunteers," but attempts were made to prevent the burial of the dead. In Bihar the corpse of a man was actually dragged out of its grave and thrown on the road, where its face was battered in by the exponents of "soul force."

AN ORGY OF CRIME

Those who were in India at the time will never forget the record of crime and outrage that was forthcoming almost day by day. At Chauri Chaura, in the United Provinces, "volunteers" carrying Swaraj flags attacked the police station and murdered twenty-one policemen and a small boy, the servant of one of the officers. The hapless constables were battered to death; their bodies were soaked in oil and burned. In Bombay on the occasion of the Prince of Wales's arrival, unoffending Europeans, Indians and Parsis were done to death by rioters, eighty-three policemen were injured, and in the suppression of the disturbances fifty-three rioters were killed. The disorders were widespread, and Sir William Vincent, then Home Member of the Government of India, stated in the Legislative Assembly in January, 1922, that in the preceding twelve months it had been necessary to call out the military no less than forty-seven times. Sir Harcourt Butler, Governor of the United Pro-

vinces, speaking at a Durbar at Lucknow in December, 1921, declared that the subversive movements set on foot had failed of their purpose. "But with each successive failure," he said, "they have sown wider the seeds of racial hatred and the spirit of lawlessness. The results cry out against them and their works. Their hands are dripping with innocent blood, and cries from ruined homes and ravished women have gone up to heaven."

The most terrible of the fruits of this movement was the rising of the Moplahs of Malabar. These fanatical people, inflamed by speeches delivered by Mr. Gandhi's Mahomedan associates, rose in rebellion against the Government and committed dreadful atrocities on their Hindu neighbours. Mrs. Besant, who visited the camps in which thousands of the victims had found refuge, wrote at the time: "The misery is beyond description. Girl wives, pretty and sweet, with eyes half blind with weeping, distraught with terror; women who have seen their husbands hacked to pieces before their eyes . . . men who have lost all, hopeless, crushed and desperate, I have walked among thousands of them in the refugee camps. . . . Mr. Gandhi would have hostilities suspended—so that the Moplahs may sweep down on the refugee camp and finish their work?"

The supreme need of India to-day is peace, so that constructive work may be carried on for the benefit of her great population. It is, therefore, the solemn duty of all who desire her advancement to abstain from offering encouragement, direct or indirect, to any agitation which may tend to cause a recurrence of the terrible events that have been here described. This warning is not given light-heartedly, nor with a wish to deprecate or discredit any movement conducted on legitimate and constitutional lines; it is inspired by a sincere desire for the prosperity and progress of India and the Indian people.

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Review Copy.

A History of English Socialism

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By
GEORGE BENSON

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CHAPTER I.

ROBERT OWEN

IN the early years of the 19th century England presented a picture of economic and political change and unsettlement without parallel in its history. The landlords, in unfettered control of Parliament, were using their power to uproot the common field system of agriculture and to enclose the commons. The dispossessed agricultural population was being driven into the towns, where an even greater change was taking place. Here hand industry was giving way before the encroachments of the factory system and the steam engine.

The country was in the throes of a simultaneous revolution in agriculture and industry. Society was in process of re-making.

Such a process, when it proceeds with the rapidity which marked the Industrial Revolution, must necessarily cause a general dislocation and produce widespread suffering. We do not need to read the researches of historians and statisticians to gain an impression of the misery into which the vast social change plunged the working classes. It is writ large in the machine breaking, the rick burning, the Luddite riots, and similar disturbances which for years were prevalent in all parts of the country.

It is not surprising that from this seething cauldron of economic change in which men's

relationships were altering fundamentally and rapidly, and in which new classes were appearing and old ones vanishing, new social creeds and political parties should be born.

In 1815 the Napoleonic wars came to an end. As usual the Peace was marked by severe industrial depression, and the widespread unemployment was intensified by the demobilisation of large bodies of soldiery.

In 1816 the misery produced by these varied causes was so appalling and the cost of Poor Relief so heavy that public attention was compelled to a problem which grew daily more pressing. It was in an attempt to find a solution that Robert Owen outlined his famous "Plan," which may be said to mark the birth of the modern Socialist movement.

Robert Owen had already achieved an international reputation as a philanthropist, an educationalist and a model employer. He had started life as a penniless boy and had succeeded in amassing a large fortune. In 1800 he became manager and part owner of the New Lanark Spinning Mills and the village dependent on them, where his famous experiments were made.

His policy as an employer contrasted very strongly with the customs of the day. It is unnecessary to recount the conditions which disgraced the cotton industry; they are too well known. But at that time even the worst abuses were defended as essential to its very existence, not only by the manufacturers, but also by the political economists.

Owen's benevolent nature revolted against the unnecessary misery, and during his connection with New Lanark he strove continuously and successfully to improve the lot of his employees. He refused entirely to recruit children for his mills from the

workhouses, as was the common practice, nor would he employ any child below the age of eight. He even encouraged parents to keep their children at the school, which he established, until they were ten. In 1816, when the United States Government laid an embargo upon the export of cotton and other spinners dismissed their hands on account of the shortage of raw material, Owen paid wages during the whole period of four months that the embargo lasted, expending £7,000 in unemployment pay.

He abolished the gin palaces, and provided a central store where the workpeople could buy everything necessary at wholesale prices, plus a small percentage for expenses. In 1819 he established a public kitchen and eating house on the same lines. This latter institution, he estimated, saved his workers between four and five thousand pounds a year.

In his treatment of his employees, Owen was a century in advance of his time, and as he combined these striking innovations with an equally striking business success, it is not surprising that his fame spread far beyond the borders of England, or that he should be regarded as an authority upon social questions.

In 1816 he was present at a meeting of the "Association for the Relief of the Labouring Poor," called to discuss the pressing problem of unemployment. His reputation obtained for him a careful hearing, and, as a result of a striking speech, he was requested to draw up a report upon the provision of work for the unemployed.

This report, which became known as Robert Owen's "Plan," was published in the spring of 1817.

At the time when Owen was engaged upon the preparation of his Plan he was far from being a Communist. He had no dreams of founding either a new party or a new doctrine. His aim was a mere reorganisation of the machinery of Poor Relief, and although the proposals were startlingly at variance with customary practice, both in spirit and form, there was nothing revolutionary in their object. Following the lines of his speech he suggested that the cause of unemployment was the displacement of labour owing to the increased use of machinery. As it was obviously impossible to abolish machinery or even curtail its development, he proposed that "advantageous occupation must be found for the unemployed working classes to whose labour mechanism must be rendered subservient, instead of being applied, as at present, to supersede it."

To achieve this he proposed the organisation of the unemployed into self-supporting communities containing from five hundred to fifteen hundred persons, men, women and children. These communities were to be housed in large quadrangular buildings composed of living apartments, school, factories, etc. Production was to be upon a co-operative basis, meals were to be cooked in a communal kitchen and served in a communal dining hall. Married couples with their infants were to have private apartments, while the older children and single persons were to sleep in dormitories.

Agriculture was to be the main occupation, but in order to make the communities as complete as possible, the other necessary crafts were to be represented. As far as circumstances would allow, the communities were to live independently of the ordinary market. They were to produce their own

food and to supply their own needs. In other words, the unemployed were to be set to work to produce whatever they required for themselves.

The cost of establishing such a community for twelve hundred persons, including the purchase of twelve hundred acres of land, and the erection of the housing, schools, workshops, etc., Owen calculated at £96,000. The necessary capital could be found either by the local rating authority, the Government, or even by private capitalists, who would be sure of an adequate return upon their capital on account of the superior efficiency and economy of the communal organisation.

Such was the proposal that Owen made for the abolition of unemployment.

The public reception of the Plan was at first satisfactory, though the Radicals and reformers were hostile, partly lest it should distract attention from the cause of franchise reform, but more generally because of the paternal form of government. The very general distress and the complete inability of the authorities to deal with it caused even so unorthodox a proposal as Owen's to receive consideration, and many persons of importance expressed their interest and approval. Even David Ricardo, the economist, hoped for some benefit from it, and in 1819 voted for Sir W. de Crespigny's motion in the House of Commons for a select committee to enquire into the Plan.

Although Owen had first outlined his Plan with a very limited objective, within six months of its publication his ideas had expanded amazingly. It was no longer a mere scheme of Poor Relief, but had developed into a new and ideal system of society which would inevitably and rapidly super-

sede capitalism and competition. The reformer had turned revolutionist.

The whole nation was to live in these barrack-like quadrangular village communities, which became popularly known as "Owen's Parallelograms," under a purely Communist régime. Institutional life was to be retained as preferable to the ordinary domestic household, not only on account of the greater efficiency and economy, but because, being less individualistic, it would develop to a greater extent the community spirit and lead to a "higher moral outlook." Owen himself looked forward to ending his days as "an undistinguished member of one of these happy villages."

Wooler, the Editor of the *Black Dwarf*, a small Radical publication, while acknowledging Owen's sincerity and philanthropy, makes the following comment, which is a shrewdly accurate picture of the Plan and its author:—

"With Mr. Owen it would be useless to argue. He is only calculated to represent his system. A defence of it is beyond his powers. He therefore wisely shuns the replication, and persists in asserting that his Plan is the wisest, best and most admirable scheme that ever entered into any human comprehension. It is because it is! 'See what a pretty plan I have here drawn out on paper, at what equal distances I have placed such and such buildings. How uniform they are. There are all the offices attached and detached that could be wished. There are schools and lecture rooms and committee rooms and brew-houses, and workhouses and granaries. There you will put the women, there the men, and there the children. They will be called to dinner every day regularly, and they will be clothed and taught and not worked very much. Oh! how happy they must be. There is nothing to prevent it whatever. All the bad passions will be eradicated, and I should like to live there myself. Nobody that understands it can for a moment object to it. Why, there is to be a chapel in which only the truth is to be taught; and schools where nothing but useful knowledge is to be inculcated'!

"Such is the reasoning Mr. Owen condescends to use; and if he had to make the beings who are to inhabit his paradise as well as to make the laws that should regulate them, there can be no doubt but that he would manage everything extremely well. . . .

All the mischievous effects resulting from the operation of the common laws of Nature are to be superseded, and Mr. Owen, like a new Creator, is to stand forward with a rod of power, more powerful than that of Moses and more beneficent than that of Deity."

Having conceived the millennium, Owen lost no time in taking steps to bring it about. He was a man of unusual energy, and threw himself wholeheartedly into his new task. He delivered lectures and wrote amazingly dull articles, scattering broadcast free copies of the papers in which they appeared. In his autobiography he tells us that in this way alone he spent £4,000 in the two months of August and September, 1817.

Henceforward Owen's life was practically devoted to the advocacy of his Plan. From the day he conceived it, despite all failures, he remained convinced that it was assured of *immediate* success. Speaking on August 14th, 1817, at the City of London Tavern, he stated:—

"The principles and plan are even now so fixed and permanent that hereafter the combined powers of the world will be found utterly incompetent to extract them from the public mind. It will from this hour go on with increasing celerity. Silence will not retard its course, and opposition will give increased celerity to its movements."

Eighteen years later, on January 7th, 1836, Francis Place notes in his diary that Owen, in the presence of a large number of people, informed him that within six months his system would be completely established in England.

Like most social reformers of the time, Owen was a firm believer in the perfectibility of human nature under good conditions; which to him meant life in a communal village. Nevertheless he recognised very clearly that the imperfections of character produced by the competitive system

would require some little time to disappear. In a letter of September 14th he details a plan for the easiest method of superseding capitalist society by his communal villages. Conceiving class, religious and political distinctions as likely to be provocative of friction until communal environment had produced "a superior moral outlook," he suggested the separation of the various classes and opinions into different communities. His proposals with regard to the different political and religious sects are distinctly amusing. Drawing up two tables, one of religious sects and the other of political opinions, he works out the possible combinations, of which he gives a list of 140. They range from Arminian Methodists who are violent supporters of the Government, to High Churchmen who are moderate reformers. To this table he appends the following footnote, characteristic in its lack of humour:—

"There are numberless other minute combinations of mind now formed in the British Empire; but to descend to every varied shade of class, sect and party, would be endless, and would turn the subject of all others the most serious to humanity into one fit only for jest and ridicule."

His scheme for dealing with class distinctions is equally complicated; the classes range from unemployed paupers to possessors of £20,000.

In July, 1819, a private committee was appointed to consider ways and means of establishing a community on the lines suggested by Owen for "finding employment for the poor." The Duke of Kent presided, and among the members of the committee were the Duke of Sussex, Sir Robert Peel and David Ricardo. The proposal was purely one for the relief of the unemployed, and it was clearly laid down that, although Owen had advocated Communism, "in the establishment which is now proposed

there would be no community of goods, nor any deviation from the established laws of property." An appeal for a subscription of £100,000 at 5 per cent. was issued, but as only £8,000 was raised, nothing could be done, and the committee resigned.

The proposal, though not socialistic, had the effect of further advertising Owen's Plan, and from this time onwards Owenism made steady progress.

The wide sympathy which Owen received from high places for his scheme is all the more remarkable when we remember that 1819 was the year of Peterloo and of the notorious and oppressive Six Acts, which aimed at gagging platform and Press. While it was almost a crime to advocate mere parliamentary reform, Owen was allowed, and almost encouraged, to advocate what amounted to an immediate social revolution. Nor were his humbler followers persecuted.

Such opposition as Owen had to face was due to his religious rather than his economic views, and dated from a speech delivered on August 21st, 1817, in which he made a strong attack on orthodox religion. His religious views, which were based upon a crude determinism, became a more pronounced part of his teaching as time passed, until he appeared to attach as much importance to them as to his Socialism; or rather he regarded the acceptance of his peculiar dogmas as the essential preliminary to either the understanding or the establishment of Socialism. In 1832, at the opening of the Charlotte Street Labour Exchange, he dealt with his programme under twenty headings. The first eight dealt with religion and determinism, nine dealt with marriage, and not until number ten did Socialism appear. Later still the activity of his personal followers seemed almost exclusively

devoted to the propaganda of the "Rational Religion." By this time, however, Owen's real work for Socialism had been accomplished. The working-class movement had outgrown his control; the impetus he had given it had carried it into the mainstream of the political thought of the time, and his religious views, confined to his personal followers, ceased to trouble any but a few bigots.

CHAPTER II.

THE OWENITE MOVEMENT

THE new capitalism, although it was rapidly establishing itself in industry, had not yet obtained domination over men's minds. On the contrary, its methods and effects awakened widespread hatred. The rapid change in all economic and social relationships which accompanied its development produced a fluidity of opinion in which new doctrines were readily received. The publication of Owen's Plan came most opportunely, and to many it appeared to offer a simple method of escape.

In the early days of the Owenite movement the wealthy and philanthropic patron loomed large in the minds of the Owenites as the source of means to establish a community. But the various attempts to raise the huge sum necessary met with little success.

The first actual experiment in Owenite Socialism was made in 1821 by a group of London working men, relying entirely upon their own resources and without any external financial aid whatsoever. This small group, composed mainly of journeymen printers, all converts to Owenism, formed the "Co-operative and Economical Society" with the object of establishing "a village of unity and mutual co-operation, combining agriculture, manufacture and trades upon the plan projected by Robert Owen of New Lanark." Their resources being

strictly limited, it was decided to proceed cautiously. We find in the first number of the *Economist* (January 27th, 1821), a small journal started in connection with the Co-operative and Economical Society, the proposals which it was considered could be put into practice immediately, until such time as the ultimate object was possible.

"The Society is to consist of 250 families who are to occupy contiguous dwellings; to expend their money jointly in the purchase of necessaries, and of food, and cleanse their dwellings with all the advantages to be derived from the combination of their means. They are to educate their children in the best manner possible in large and commodious schoolrooms, etc., provided for the purpose. They will eat together in a large and commodious hall, and will manufacture many of the articles they consume within themselves, besides cultivating a certain portion of ground as gardens. . . . The great majority of members will, however, continue in their present employments."

In order to raise the funds immediately necessary, a Co-operative trading store was formed, a method very widely adopted in later years, when the growing democratic sentiment revolted against the idea of dependence upon a wealthy patron.

Nine months later the *Economist* of November 17th, 1821, reported that the Society had taken several houses and that the experiment had commenced.

"It was decided after some discussion not to adopt a purely communistic basis, i.e., to pool the income of the various families. The present members appear to have been willing to take this step; but it was thought that the adoption of such a measure might deter others from joining. So a fixed charge for maintenance, to include rent, food, washing and the education of children, was decided upon. A single man or a married couple—for the wife, it was held, would repay by her labour the

* "*The Economist*. A periodical paper explanatory of the New System of Society projected by Robert Owen, Esq.; and of a plan of association for improving the condition of the working classes during their continuance at their present employments." This small journal was the first English Socialist newspaper. Its price was 3d. weekly and it ran for about a year.

cost of subsistence—were to pay 14/5 per week, with a small additional sum for each child. The women would undertake all the domestic work, and those women who could be spared, together with the older children, would accept paid work outside the society, their wages being thrown into a common fund which would serve for the education of the children. . . . At the end of the first week we learn that the cost of living in comfort and abundance had proved much less than the contribution exacted from the members.”—(Podmore, *Life of Owen*, pp. 351, 352.)

The Society existed until 1823, though there is no record of its dissolution. At its largest the community seems to have consisted of between twenty and thirty families.

The next important attempt to found a community was made by Abram Combe, a wealthy tanner, who had become a convert of Owen. In conjunction with Hamilton of Dalzell he purchased the Orbiston estate of 291 acres, and in March, 1825, commenced the erection of a large building which was to accommodate 1,000 persons. Only a portion was completed, but this afforded housing and working accommodation for three hundred, and in April, 1826, the community commenced its existence.

During the first few months Combe allowed the community to run on anarchist lines, but with disastrous results. He was soon compelled to organise labour squads, the most successful of which ran the foundry, making for outside sale articles such as grates, fenders, kettles, etc. The trades comprised agriculture, horticulture, dairy work, twine making, tailoring, shoemaking, and the weaving of woollens, cotton and silk.

At first the ordinary market rate was paid to the workers, but in September, 1826, the following resolution was carried after a heated debate:—

“That all the members of the Society unite together to produce a common stock, out of which all our common expenditure, hereafter to be agreed upon, will be paid; and that an equal

share of the surplus of our labour be placed to the account of each member of the Community according to the time occupied by each."

Orbiston experienced all the frailties of human nature. Little or no care had been exercised in the selection of members. The lazy and the greedy attempted to live at the expense of the industrious and enthusiastic. Others worked just enough to keep their credit at the communal store sufficient to provide food and clothing, thus escaping any share of the maintenance costs. Others, black sheep, had to be eliminated.

Gradually, however, under Combe's guidance and inspiration, matters appeared to mend; the social life developed, and a theatre was erected capable of seating three hundred.

Unfortunately, Combe died in August, 1827, as a result of over-work, and the community, robbed of its founder and guiding spirit, broke up a few months later. The causes of this rapid failure are obscure, but even under Combe the prosperity was probably more or less superficial, and had he lived it is doubtful whether the failure could have long been postponed. The standing crops were sold by auction, and the building demolished. The whole of the capital sunk was lost, Combe's family was left penniless, and Hamilton's fortune swallowed up. Thus ended the first large-scale experiment in Owenite Socialism.

Although the Orbiston scheme was situated in Scotland, the real centre of the Owenite movement during the decade 1820-30 was London. Later it moved to the industrial districts of the North.

In 1824 the London Co-operative Society was formed. Its objects were "the formation of a community on the principles of mutual co-operation"

and the restoration of the whole produce of labour to the labourer. It was considered that, as the object of the Society should be the happiness of its members, which could not be achieved under competition, private accumulation and inequality, these must give place to mutual co-operation, communism and equality both of labour and enjoyment. All exchanges must be of fair equivalents and represent equal quantities of labour. This statement of objects shows obvious influence of William Thompson's *Enquiry into the Distribution of Wealth*. (See page 30 seq.)

Although later the Co-operative Society raised £4,000 towards the establishment of a community, its activity was almost entirely propagandist. Under its auspices many exciting debates were held in the Society's rooms at Red Lion Square. The following are some of the subjects which were discussed :

"Is the labourer entitled to the whole produce of his labour?"

"What are the objections to a voluntary equality of wealth and community of property, and can they be satisfactorily answered?"

"Are continuous or detached buildings best adapted for co-operative associations?" This had reference to Owen's Parallelograms.

It was in these debates that the word Socialist appears to have been coined.

From 1826 onwards we find reported in the *Co-operative Magazine* frequent attempts to found communities by small working-class groups. The wealthy patron, once sought after, was now regarded as a danger to be avoided. When a correspondent, in the *Brighton Co-operator* of February, 1830, suggested that co-operators should "bethink themselves of bespeaking the goodwill of some patron

in the infancy of their co-operation," the suggestion moved the British Association for Promoting Co-operative Knowledge to make public protest. In a statement of March 4th, 1830, published in the weekly *Free Press*, the Association bade co-operators

"Beware of patrons of any sort. . . . These dangerous propositions must be blotted out from the pages of *The Co-operator* or all future communications in that little pamphlet will be looked on as wolves in sheep's clothing. Let the working class be their own patrons, or have none at all! The British Association protests against patronage in any form; also against competition in any shape. . . ."

Socialism had become a class movement, and was no longer a philanthropic experiment of the rich. The scheme of the London Co-operative Society to raise £50,000 for a community gave way to the proposal of the Co-operative Community Fund Association to raise capital by weekly subscriptions and to the proposal of the Brighton Co-operators to raise a fund by a combined co-operative trading store and Labour Exchange.

The object of the Labour Exchange was to

"receive from the members of the Association such articles as they produce, and, according to the scale authorised by the Committee or Council of work, give them an order for other commodities in store to an equal value at prime cost, or a note for the value of so much labour as is brought in, which note may be cancelled when articles of that value are issued for it, so that the labour notes may always represent the quantity of goods in store and work unrequited."—(*Co-operative Magazine*, November, 1827.)

We have here an attempt to base an equitable exchange of commodities upon the quantity of labour embodied in them. As we shall see later, Owen attempted to put this idea into operation some years afterwards.

About this time there was rapid development. In 1828 there appear to have been no more than

four Owenite Co-operative Societies in existence. By August, 1830, there were three hundred. Two years later, at the Liverpool Co-operative Congress, it was claimed that there were seven hundred societies actively in operation.

The objects and methods of these societies were entirely different from those of the Co-operative movement to-day. Almost without exception they were founded with the primary aim of providing funds for the establishment of Owenite Communities. Profits were added to capital, not paid out as dividend on purchases.

At first the Co-operative Societies were mainly trading stores, but from 1830 a change is to be noticed. The trading store receded into the background, and the manufacturing society, occasionally formed by a Trade Union to find work for its unemployed members, appeared. Some of these new societies made rapid headway.

The history of the movement for the next three years is to be found in the files of *The Crisis*, a little weekly journal founded by Owen. The name, which indicated that "a momentous crisis is at hand," shows that Owen, as always, was living in expectancy of an immediate social regeneration. Scattered through the pages of this little paper are the records of co-operative progress, which was now largely concentrated in the industrial north. In Manchester there was a co-operative dyeworks, named the Owenian, which employed 120 hands, mostly members. Wigan Co-operative Society, with a membership of 3,000, had rented an estate with sixty cottages, where they manufactured stockings, gown prints, etc. They had set up two machines for printing muslin and silk, and had fifty or sixty tables. They paid a rent of £600, and had spent

£3,000 upon their works. At the Liverpool Congress of 1832 there was a display of co-operative manufactures, including cutlery and tea and coffee pots from Sheffield, stockings and lace from Leicester, clothes from Huddersfield, flannels from Rochdale, linen sheetings from Barnsley, clogs and shoes from Kendal. In a report from Leicester to the third Co-operative Congress, held in 1832, we are told that the societies of the various towns made a practice of exchanging goods with each other.

But the step which, of all others, raised the highest hopes, and probably with the least reason, was the establishment of the Equitable Labour Exchange by Owen. The fundamental idea of the Labour Exchange was, as we have seen in the Brighton proposal in 1827, the exchange of goods in the ratio of the labour embodied in them, and the circulation of a currency based on units of labour for facilitating these exchanges.

Owen's was not actually the first Exchange, for Dr. King, of Brighton, had discussed the matter in 1827 and had succeeded in establishing one at the Gothic Hall, London, in January, 1832. But the idea of a Labour Currency may be traced to Owen's Report to the County of Lanark as early as 1820.

The basis of Owen's Labour Currency was the one hour note, which was regarded as equivalent to 6d. A deposited article was valued by the official valuers of the Exchange, and Labour Notes were issued to the amount of the valuation. The Exchange levied a commission of 1d. in the shilling to meet expenses.

The Labour basis of the currency was purely theoretical, and confined merely to the denomination of the notes. A tailor writing to the *Times* complained that he had deposited a coat that he

had made, and had received in notes less than the actual cost of the material. Owen replied that this might well be so, but that if the complainant had examined other articles he would have found a similarly low valuation. All deposits being valued on the same scale no wrong was done to anyone. Thus the Exchange depended upon a valuation quite unrelated to the actual labour time involved in the manufacture of the article, and the unit of value might as well have been a button as an hour. Yet no one seems to have realised that the enthusiastic disquisitions on labour as the natural and perfect basis of currency, which heralded the establishment of the Exchange, had no bearing whatsoever on the actual practice.

The Gray's Inn premises of the Association of the Industrious Classes was used as the headquarters of the Exchange, and deposits were received on September 3rd. The magic of Owen's name produced an immediate popularity, and so great were the number of deposits that by the evening the doors had to be closed for a few days to allow of stocktaking and arrangement. In a couple of months a branch was opened in Blackfriars Road. The Exchange awakened widespread interest, for not only shops but even some theatres announced that Labour Notes would be taken as cash.

The experiment appeared to promise so great a success that Owen and his followers were convinced that the development of Labour Exchanges were about to regenerate society, and that the end of the Capitalist system was imminent. *The Crisis* actually announced a meeting to discuss the position of the unproductive classes after the great change. The meeting was duly held with Owen in the chair, and the matter discussed in all seriousness. A com-

mittee was appointed to consider the best method of relieving the probable distress among the unfortunate non-producers. Robert Dale Owen, son of Robert Owen, suggested that some might emigrate to the New Harmony Community in America, and there learn a trade in order to become useful productive citizens.

For the first few months the Exchange continued to work at high pressure. In the seventeen weeks ending December 22nd, goods had been deposited amounting to 545,501 hours, and withdrawals had taken place amounting to 376,116 hours. But in January, owing to a misunderstanding with the landlord it had to quit Gray's Inn Road and was transferred to the branch establishment until fresh premises were secured in Charlotte Street. The change seems to have been the prelude to a steady decline in business. By the following January the weekly turnover had fallen to about one-fifth, and two months later (March, 1834) to one-tenth of the weekly turnover of the first three months.

A few months later, in a letter dated June 7th, 1834, to Owen, one of the officials reported that the Exchange was in a bad way and that there was a considerable debt. This is the last information we have of the Exchange. The details of its final extinction are unknown.

The causes of the failure were various. Bad and dishonest management played its part, but the accumulation of useless articles, which no one wanted, and the consequent depreciation of the notes was the most important. Holyoake states that shopkeepers and merchants, with the connivance of the valuers, deposited their unsaleable stock, taking away in exchange articles of real value.

Among the various reasons of failure given by William Lovett, the Chartist, in his autobiography, are religious differences, want of legal security and the objection of women to confining their shopping to one establishment.

The year 1834 saw the end not only of the Labour Exchange, but also of practically all the experiments in Owenite Socialism. Trading stores and workshops alike were dragged down in the general *débâcle** which overtook the whole working class movement, without leaving details or even record of their end.

From that time onwards Owen and his immediate followers concentrated mainly upon the propaganda of the deterministic dogmas which Owen had always intertwined with his communism. But although Owen ceased personally to be a force in working class politics the influence of his ideas remained. Even the Rochdale Pioneers of 1844, when they made what proved to be the first tiny step towards the modern Co-operative Movement, were under his inspiration; for among the objects of their little society was the ultimate establishment of a Co-operative Community.

These various attempts to form within the matrix of an unregenerated society little isolated communist institutions may nowadays seem childish and unpractical. But in those days the historical view of society was unborn, and social evolution hardly conceived. Society was envisaged as a mechanism which could be taken to pieces and fitted together according to another pattern at will, rather than as an organism subject to the laws of development and growth. Moreover, the perfectibility of human

* See Chapter V.

nature and its ready response to environment were axiomatic, and to the reformer of 1830, neither man nor society presented so resistant a medium as they do to-day.

CHAPTER III. SOCIALIST THEORY

UNDER the aegis of the Owenite movement there developed a vigorous school of Socialist thought, but to this Owen himself contributed little. A band of far abler thinkers than he hammered out those Socialist doctrines which eventually received their final shape in the writings of Karl Marx. Godwin's Communism, the anti-Capitalist criticism of Hall and Ravenstone and the economic doctrines of Ricardo were the sources of Socialist theory. Of these, the last was by far the most important. Later, from 1832 to 1834, a remarkably original and fertile political speculation arose, consideration of which must be left to a subsequent chapter.

Ricardo's *Principles of Political Economy* was published in 1817. Although it was instantly seized upon by the orthodox to defend the worst excesses of the new Capitalism, it was from this book that the early Socialist thinkers drew their most deadly weapons.

The two dicta of Ricardo, that labour is the source of value, and that wages are governed by the cost of subsistence, were adopted by the Socialists without the provisos and limitations which Ricardo himself made. They were accepted literally and applied logically.

Starting from these premises they deduced that rent, interest and profit must be robbery. Further,

since under Capitalism wages must remain at subsistence level, no improvement was possible, and increased production would only increase the amount filched from labour. We have the theory clearly stated in an anonymous pamphlet entitled *The Source and Remedy of the National Difficulties*, published in 1821.

"If the labourer can be reduced to living on potatoes instead of bread, it is undoubtedly true that more can be gotten out of his labour; that is to say, if in order to live on bread he was compelled, for his own subsistence and that of his family, to keep for himself the labour of Monday and Tuesday, he will, when living on potatoes, keep only half of Monday's labour for himself; and the other half of Monday and all of Tuesday are set free, either for the benefit of the State or for the capitalist" (p. 26).

THOMPSON.

The Ricardian theory of value is the basis of William Thompson's *Enquiry Into the Distribution of Wealth*, published in 1824. Thompson, an Irish landowner in Cork, was not only a prominent Socialist thinker, but also extremely active in the Owenite movement. Besides his two theoretical books—*The Enquiry* and *Labour Rewarded*, he also wrote *Directions for the Establishment of a Community*, containing a very detailed consideration of methods. On his death he left the sum of £10,000 for the establishment of a Community, but the will was set aside at the instance of his relatives on account of its "immoral" object. Originally a Benthamite, he was opposed to Owen's schemes, but further consideration produced a reversal of his attitude and he published *The Enquiry*.

As a starting point for his search for the ideal system most productive of happiness, he assumes that

"all members of society being similarly constituted in their physical organisation, are capable, by similar treatment, of enjoying equal portions of happiness" (p. 21).

But increments of wealth do not produce proportionate increases in the amount of happiness, whereas after a certain point diminution of wealth leads to a disproportionately large loss of happiness. Hence in a society in which extremes of wealth and poverty exist there is a net loss in total happiness. That being so it logically follows that equality of wealth is the ideal system. But may not equal division of wealth remove the incentives to labour?

"The important problem to be solved is how to reconcile just distribution with continued production" (p. xiv.).

In search of a solution of this problem Thompson proceeds to analyse the three systems of distribution; the existing Capitalist system, the retention of the whole product by the labourer, and a system of equal distribution.

In analysing the Capitalist system he has little difficulty in showing that it gives neither the incentive to maximum production nor just distribution.

"In order to continue voluntary production at all the producer must derive the expected benefit from the thing produced. But this general principle, admitted in words, has been pertinaciously opposed in practice. The constant effort of what has been called Society has been to deceive and induce, to terrify and compel, the productive worker to work for the smallest possible portion of his labour" (p. 36).

"Rent, interest and profit are for the most part forced abstractions from the labourer without any equivalent return. The idle possessor of the instruments of production secures ten times, a hundred times, a thousand times as much of the articles of wealth, the products of labour, as the most diligent and skilful of the real efficient producers" (p. 164).

In his consideration of the other two systems he decides that logic gives to the labourer the full product of his labour, but on ethical grounds he decides tentatively in favour of Owenite Communism. In his later book, *Labour Rewarded*,

he finally abandons the individualistic Right to the Full Product of Labour in favour of thoroughgoing Communism.

JOHN GRAY.

Perhaps the most vigorous statement of the early Socialist position is contained in the little tract entitled *A Lecture on Human Happiness*, by John Gray, published in 1825.

Starting from the proposition that "the foundation of all property is labour and there is no other just foundation for it," he enquired as to the actual distribution under the Capitalist system, and especially with regard to the proportions received by the producers and non-producers. "They are only productive members of society," he considers, "who apply their own hands either to the cultivation of the earth itself or to the preparing or appropriating the produce of the earth to the uses of life." Taking as his statistical basis Colquhoun's *Wealth and Resource of the British Empire*, he divided society into fifty-four grades; some productive, others non-productive. He discovered that if the total national income were divided by the number of productive labourers the production per head amounted to £54, whereas all they received was £11. The productive labourers, who numbered eight millions, took one-fifth of what they produced, while the nine million non-producers took four-fifths. Rent interest and profit were the means by which the producers were spoiled of the wealth they created.

In discussing rent Gray takes his stand upon the equal right of all mankind to dwell upon the earth. The produce of the soil belongs to him whose labour brought it forth. The only title to possession of land is the cultivation of it. In the views

expressed in the lecture, he appears to attribute all agricultural produce to labour, thus ignoring the effects of varying soils and the economic rent arising from them. In a later book, however, entitled *The Social System*, he admits the existence of economic rent, and as a consequence suggests nationalisation both of land and agriculture instead of his earlier proposal of peasant proprietorship. This argument for nationalisation, based upon the existence of economic rent, is a great advance upon the other doctrine of natural right.

Interest, Gray regards as "another mode of obtaining labour without giving any equivalent for it." In this respect he propounds an interesting dilemma. "Is man the natural proprietor of the produce of his own labour? If he is not, what foundation is there for property at all? . . . If he is. . . there is no justice in requiring interest for the use of money." Summing up, he says:—

"We have endeavoured to show by whom wealth is created, and by whom it is consumed. We have endeavoured to show that it is from human labour that every description of wealth proceeds; that the productive classes do now support, not only themselves, but every unproductive member of society! That they only are productive members who apply their own hands either to the cultivation of the earth, or to the preparing or appropriating the produce of the earth to the uses of life; that every individual not so employed is a direct tax upon those who are so employed; that (to say nothing of the numerous and expensive class of person who have not even the pretension to utility in any way whatever) all merchants, manufacturers, wholesale and retail tradesmen, together with their clerks, assistants, and shopmen, are either directors and superintendents of production or mere distributors of wealth, who are paid by the labour of those who create it; and that such persons are useful only in a sufficient number, so as to direct and superintend labour and to distribute its produce." . . .

"We have endeavoured to show that the real income of the country, which consists of the quantity of wealth annually created by the labour of the people is taken from its producers chiefly by the rent of land, by the interest of money, and by the profit obtained by persons who buy their labour from them at one price

and sell it at another; that these immense taxes of rent, interest and profits on labour must ever continue while the system of individual competition stands; that in the new (Owenite) Communities *all* would be productive members of society, excepting only the persons absolutely required in unproductive occupations, who would also devote their time and talents to the general good, and that no one would be taxed either with rent, interest or profit on his labour."

The grand remedy for all social problems was Owen's Plan.

THOMAS HODGSKIN.

Although Thomas Hodgskin cannot be classed as a Socialist, the wide influence of his writings makes an account of him necessary. His main works were *Labour Defended Against the Claims of Capital*, published in 1825, *Popular Political Economy*, published in 1827, and *The Artificial and Natural Rights of Property*, published in 1832.

Hodgskin was an extreme individualist, and even in 1855 he regarded Factory Acts as the work of "meddling philanthropists and factious demagogues." His opposition to government control was so great that he disliked compulsory education, and regretted the State monopoly of coinage. His habit of thought, which practically amounted to anarchism, led him to examine matters which ordinarily the individualist accepted without question. How far were the so-called rights of property based upon "the laws of Nature," and how far were they a direct negation of them?

That the operation of Natural Law was beneficent Hodgskin believed implicitly, and to the violation of it he attributed most of our social ills.

Starting from the labour theory of value he deduces the natural right of the labourer to the full product of his labour.

"The Law of Nature is that industry shall be rewarded by wealth, and idleness be punished by destitution; the law of the

land is to give wealth to idleness and fleece industry till it be destitute."—(*Popular Political Economy*, p. 154.)

As early as 1820¹ he says:—

"Capital is the product of labour, and profit is nothing but a portion of that produce, uncharitably extracted for permitting the labourer to consume a part of what he has himself produced."—(*Travels in Germany*, II., 88.)

Later, speaking of the poverty of the workers, he says:—

"It cannot be doubted that the immediate and proximate cause of their poverty and destitution, seeing how much they labour and how many people their labour nourishes in opulence, is the law which appropriates their produce in the shape of revenue, rent, tithes and profit."—(*Natural and Artificial Rights of Property*, p. 149.)

Nationalisation of the land he opposed, but would base ownership solely on cultivation, challenging the right of a landlord to hold more than he could personally cultivate.

The right of capital to receive interest and profit Hodgskin submitted to a remarkably able analysis, in which he was far ahead of the economists of his time. He would have none of the Wages Fund theory then current. The claim that capital paid wages was false, and therefore the reward for this supposed service was unearned. Wages were really the exchange of goods between producers.

"As far as food, drink and clothing are concerned, it is quite plain that no species of labourer depends on any previously prepared stock, for, in fact, no such stock exists; but every species of labourer does constantly and at all times depend for his supplies on the co-existing labour of some other labourer."—(*Labour Defended*, p. 11.)

Hodgskin has no panacea, no clearly thought-out suggestions of reform to make. Although he believed in the natural right of the labourer to the full product of his labour, he realised that the subdivision of industry made the realisation of this impossible. He regarded combination of the work-

ers against the masters as a useful method of abolishing profits, but proposed to leave the division of the products of industry among the workers to competition. He trusted to the natural equality of man when artificial restrictions and laws in the interests of property were abolished, to prevent the oppression of one man by another.

He was widely read by English and American Socialists, who readily availed themselves of his criticisms of Capitalism and Capitalist economics, while rejecting his individualism and belief in competition. It was in reply to his suggestion that the reward of labour might be left to the higgling of the market that Thompson wrote his *Labour Rewarded*.

It is curious to note how Owen, inspirer and chief figure of the early movement, stands intellectually outside it. Thompson, Gray and other thinkers accepted Owen's plan, but their method of approach was fundamentally different from his. Owen showed no interest in the economic analysis of Capitalism or in the demonstration of the existence of Surplus Value, by which these writers anticipated Marx. Probably the idea that his plan required such a justification never occurred to him. Yet it was essentially this mode of thought which was characteristic of the early movement, and which in the early thirties found its expression in violent class war doctrines.

Owen was primarily a moralist. He was mainly concerned with a "superior moral outlook" for society, though to do him justice he realised the futility of attempting to establish this on a basis of grinding and degrading poverty. If he recognised the clash of economic interests of worker and capitalist, it had no influence on his conception of

the imminent social change which was to come about by the union of all classes, rich and poor alike, in a voluntary acceptance of his plan.

Owen gave to the Socialist movement his conception of the "Community," and backed it by his immense prestige and untiring energy, but to the remarkable intellectual ferment which anticipated so many later theories he added nothing.

CHAPTER IV.

POLITICAL SOCIALISM

IN tracing the development of Co-operative Socialism as far as the failure of the Labour Exchange in 1834, we have, in the interests of continuity, made no mention of the political movement, which developed from 1830 to 1832. This was in the nature of an offshoot from orthodox Owenism, which adopted a sceptical if not hostile attitude to political action.

Owen's Socialism, which consisted of independent communities, did not lend itself to centralised government. The firm belief in the imminence of a voluntary establishment of Communism, to be brought about solely by education and a change of heart in both rich and poor, made conquest of political power seem a useless waste of effort. Moreover, Owen was no democrat. His experience at New Lanark had imbued him with a belief in beneficent autocracy, and his sublime self-confidence left no doubt as to whom the autocrat should be.

The renewed franchise agitation which culminated in the passing of the Reform Bill of 1832, coincided with the most rapid period of development of Owenism. This agitation influenced many Socialists, particularly those who had doubts as to the possibility of persuading the rich into voluntary Communism, doubts not surprising when one considers the rapacity of the new Capitalist class and the savage antagonism it displayed towards the most modest demands of labour. These doubters became convinced that before Socialism could be

established political power must rest in the hands of the workers.

The political Socialists did not quarrel with Owen for his belief in the possibilities of an immediate reconstruction of society; they merely differed as to whether it could be accomplished by peaceful persuasion.

Owen's belief in class unity was indeed shared by very few of those who were influenced by his social doctrines. The Labour Theory of Value, and the labourer's right to the whole product of his labour, which, as we have seen, formed the gist of Socialist teaching, led logically to the conception of an unbridgeable class antagonism, and from 1830 onwards, the Class War became a commonplace of working class politics, especially in the industrial phase of 1833 and 1834, when its spirit informed almost every manifesto and pronouncement of the militant trades unions.

The development of working class opinion from non-political and pacifist Owenite Socialism to militant social-democracy is well illustrated in the evolution of The British Association for the Spread of Co-operative Knowledge. Founded in 1829 with the object proclaimed in its title, it remained purely co-operative and educational until 1831, when it was absorbed by the Metropolitan Trades Union. The objects of this Union were threefold—ordinary trade union functions, co-operative production, and Parliamentary reform. A few weeks later the name was changed to the National Union of the Working Classes and Others. The trade union and co-operative aims fell rapidly into the background and were overshadowed by manhood suffrage. It is interesting to note, however, that the first item on the Union's programme was "the

securing for every worker of the full value of his labour and the free disposal of the value of his labour."

At first the leading spirits were Owenite, and when an intransigent minority wished to confine membership of the Executive Committee to working men the proposal was defeated. Later, however, the number of non-working-class members became negligible and the name was truncated to the National Union of the Working Classes.

The Union consisted of about a dozen branches in London and embodied the most extreme elements of those fighting for the franchise. Its meetings were held in Carlile's Rotunda, whence its members received the name of "Rotundanists." The actual membership was probably never more than 1,500, of whom about 500 were regular paying members, the rest only subscribing in times of excitement. Nevertheless, the Union succeeded in impressing the Government with its importance. "It was very generally supposed," says Francis Place, "that a majority of the working people of London were members," and that they were under the control of its managers."

Place, who was a cast-iron individualist and Malthusian, has left an acrid picture of them.

"Some of these men were remarkably ignorant, but fluent speakers, filled with bitter notions of animosity against everybody who did not concur in the absurd notions they entertained, that everything which was produced belonged to those who, by their labour, produced it, and ought to be shared among them; that there ought to be no accumulation of capital in the hands of anyone to enable him to employ others as labourers and thus by becoming a master make slaves of others under the name of workmen; to take from them the produce of their labour to maintain themselves in idleness and luxury, while their slaves were ground down to the earth or left to starve. They denounced everyone who dissented from these notions as a Political Economist, under which appellation was included the notion of a

bitter foe of the working classes, enemies who deserved no mercy at their hands. Most of these men were loud and long talkers, vehement, resolute, reckless rascals."

Place had been in frequent conflict with them, so we may take it that his view of their shortcomings is hardly as accurate as his account of their beliefs.

We gain very full information as to the attitude of the "National Union" from their weekly debates, which were reported in the *Poor Man's Guardian*, a weekly unstamped newspaper* published by Hetherington and edited by Bronterre O'Brien.

Unlike the Owenites, the Rotundanists were not wedded to any single clear-cut scheme of social regeneration. The fundamentals of their creed were simple. They were, firstly, the right of the labourer to the full product of his labour, and, secondly, Universal Suffrage, to enable him to obtain it. Continual references are made in the *Poor Man's Guardian* to "a different social system," but little indication is given of what it was to be. Owen's Communities were accepted by many, but so also were such inconsistencies as individualistic cultivation of land. The Rotundanists were primarily class-conscious militants, and were prepared to support any scheme which appeared to reduce the profits of the Capitalist and increase the share of the worker, no matter whether that scheme were individualist or Communist. They regarded Owen's schemes as doomed to failure, so long as the Government was in the

* All newspapers below a certain price had to bear a revenue stamp of 4d. per copy. This meant the impossibility of a cheap popular press, and was fought with great vigour by the Radicals. A large number of papers were published in defiance of the Act, and continual prosecutions resulted. It is said that more than five hundred people were imprisoned for selling the *Poor Man's Guardian* alone.

hands of the Capitalists, who would only tolerate them so long as they were not dangerous. The first consideration must be the transfer of political power into the hands of the workers. That once achieved all else would follow. "The Rights of Property" would be curtailed and just laws would prevent the robbery of the worker by rent, interest, tithes and taxation.

They considered it a mistake to think that poverty was caused by tithes and taxes, as did the older Radicals. These were a mere fraction of what was taken from the worker by the Capitalist as profit and interest. The abolition of tithes and excessive taxation would not even benefit the worker under the present system. It would merely increase the plunder of the Capitalist, for if the worker had less tithe or tax to pay his wages would decrease. Wages, they held, under the present system, must always remain at starvation level. Lassalle's Iron Law of Wages was a commonplace in militant Socialist circles in 1832.

In all parts of the country, especially in the industrial districts of the North, there were Unions of the Working Classes similar in object to the National Union. Many of these had been formed from London, Hetherington, proprietor of the *Poor Man's Guardian*, being a particularly active missionary.

As the franchise agitation progressed the National Union became more and more hostile to the Reform Bill, for it was realised very clearly that the working classes would be excluded, and that the only result would be to increase the power of the Capitalist class. Moreover, it was hoped that its defeat, in the excited state of public opinion (which, needless to say, did not share the hostility

of the Rotundanists to the Bill), would lead to a revolution, when much more than a mere franchise reform might be obtained.

The attitude of the National Union is well summed up in a letter which appeared in the *Poor Man's Guardian*, just prior to the passing of the Reform Bill, from a Manchester correspondent, who signs himself "One of the Oppressed," and who appears to have been a self-educated handloom weaver.

"To the Working People of England.

"Fellow Countrymen,

"I have given you my opinion in several letters at various times on the present measure of reform. I have in these letters uniformly told you that that measure if carried into effect will do you an incalculable deal of harm. I have told you that the evils under which you labour are not produced by taxation. I have shown you that the whole expense of the Government, from the King to the common soldier, does not amount to more than one halfpenny a day upon each individual in the two kingdoms, and that the abolition of the whole Government would relieve you to the amount of only that one halfpenny a day. . . . And I told you that the immediate cause of your poverty is the exorbitant rents, tithes, interest on money, profits on labour and profits on trade, which are imposed on you by laws made by the land-stealers, merchants, manufacturers, and tradesmen in that House from which you are excluded, and by which exclusion you are prevented from making laws to regulate your wages. I have told you that the Government taxes are only a natural consequence arising out of the rents, interest, and other profits which are imposed on you—that those taxes are, in short, only a sum of money given to the Government to beat and torture you into a submission to those rents, tithes, interest, and profits, by which you are robbed to more than twenty times of those taxes. I have told you these things before, and I tell you the same now, and in so doing I tell you the truth.

"I have told you that the influence of those men who impose those rents and profits is to be increased in making the laws, and that your influence is to be diminished by this Bill. I told you, and I showed you, that every increase in those rents, tithes, and profits is equal to a reduction of your wages to the same amount, and that by this Bill these rents and other profits will be still further increased, and your wages, in consequence, still further reduced. I told you these facts before and I repeat it again now, that this Bill will augment your poverty to an incal-

culable degree. . . . I am told that you cannot be worse off than you are now. I say Yes! The Irish people are three times worse off than you are, bad as you are, and that you are capable of being as bad off as they. I therefore conjure you to prepare your coffins if you have the means. You will be starved to death by thousands if this Bill pass, and thrown on to the dunghill or on to the ground, naked, like dogs. . . .

"When I hear master manufacturers and tradesmen say—We must get large profits to enable us to pay you high wages, my blood curdles within me, and I wish at once that I were a dog or anything else rather than a man. Those large profits are the sole cause why wages are low. They are got by keeping wages down. . . . There is no common interest between working men and profit makers. This fact, like the sun, for ever stares us in the face. . . .

"If you want to know who is your greatest enemy—it is he who has the greatest income, no matter what he may say to deceive you, nor to what sect or party he may belong, nor from what source his income may be derived: With this warning I take my leave with the assurance that if the Bill pass I will tell you something of greater importance than anything else I have told you before.

"ONE OF THE OPPRESSED.

"Manchester, March 19th, 1832."

When the Reform Bill was finally forced through the House of Lords, it was not long before the working classes realised as clearly as the Rotundanists how little they had to gain from it. The exaggerated hopes and enthusiasms which the agitation had evoked vanished quickly, to be replaced by a disillusionment which expressed itself in hostility to political action.

Along with this revulsion against politics the prestige of the Rotundanists waned rapidly. Their prescient hostility to the Reform Bill was forgotten, their damning belief in political action was alone remembered. The National Union continued indeed until 1835, but moribund. Militant class-consciousness found another mode of expression in Industrial Action, which, during the two years following the Reform Bill, became the sole channel of active discontent.

The *Poor Man's Guardian*, which had hitherto been the mouthpiece of advanced labour, was forced to defend itself against the universal boycott of politics, and in so doing was charged with hostility to trade unionism. The controversy between the industrial and political wings of the Socialist movement of ninety years ago reads almost as if it were a report of a very similar controversy that raged in 1920. O'Brien pleaded in vain for a combination of political action with trade unionism. Politics had been weighed and found wanting; militant trade unionism, on the other hand, was still untried as a revolutionary weapon. It had no past failures to damn it, no record of disaster to dim the immediate efficacy with which ardent hope endowed it.

CHAPTER V.

THE INDUSTRIAL PHASE

IN 1830 the Trades Union, as we know it now, was still unborn. The Combination Acts, which lasted from 1799 to 1824, had prevented the development of open and stable unions and had limited such secret organisation as it was possible to achieve to small localised groups of workers, generally personally acquainted with each other.

The repeal of the Combination Acts indeed legalised Trade Union organisation as such, but left Trade Union activity to the scant mercy of the numerous laws which interested and prejudiced magistrates could twist and strain to the purpose of fighting any tendency of the working classes to organise. Under such disabilities it is not surprising that Trade Unions consisted for the most part of small unassociated trade clubs, pitifully weak, penniless and without continuity.

Moreover, the Factory System was not yet fully established. The handloom weavers were still struggling hopelessly against the growing competition of the powerloom, and in point of numbers the small workshop and cottage industry still held its own. This equally with the legal repression made modern organisation almost unthinkable. The sporadic attempts to form wider organisations merely threw into bolder relief the local and ephemeral nature of the Trade Unions of the time.

But with the revulsion against politics which followed upon the disillusionment of 1832, there came a feverish burst of industrial organisation,

which, in a few short months raised the membership, if not the stability, of the unions to a level which was not again equalled until nearly the end of the nineteenth century. The membership of existing unions increased with astounding rapidity, especially after the middle of 1833. New unions sprang into existence in every trade and in every part of the country. Even agricultural labourers' organisations appeared. Women were organised in such unions as The Grand Miscellaneous Lodge of Female Operatives, The Female Gardeners and a society with the remarkable name of The Ancient Virgins. The *Pioneer*, a weekly Trade Union journal, edited by James Morrison, actually had a Woman's Page. The magnitude of the development may be realised from the figures of the Operative Carpenters, whose membership increased from 938 in 1832 to 6,774 in 1834.

But it was among the unskilled and unorganised that the most prodigious steps were made. In January, 1834, The Grand National Consolidated Trades Union was formed under the inspiration of Owen, who became its Grand Master and its chief propagandist. This union grew with incredible rapidity throughout the early part of the year, both by the absorption of existing unions and the foundation of new branches among unorganised workers in every trade. Within a few weeks of its formation it contained between half a million and a million members.

The causes of this astonishing development are obscure. The reaction from politics, the propaganda and example of the co-operators, the unrelenting activity of Owen and the spread of class war ideas all played their part, but in themselves appear to be totally inadequate to produce so gigantic a

result. There appears to have occurred one of those psychological epidemics which at long intervals affect whole nations. From time to time, without any apparently adequate reason, a particular craze spreads with incredible rapidity, develops to a climax and then subsides. Examples may be found in the earlier Crusades, particularly the Children's Crusade; in the dancing manias of the sixteenth century, or in the speculation mania of 1720. Something similar must have occurred in 1834, for on no other hypothesis can we explain the rapid development and almost instantaneous collapse of the Unions.

Side by side with the growth of the actual organisation there developed a philosophy of Trade Unionism which in all material points forestalled both Syndicalism and Sovietism. In the pages of the *Crisis*, the *Pioneer*, and the *Poor Man's Guardian* we find discussed Industrial Unionism as a basis of social structure, the strike as a method of class education, the advantages of industrial as compared with geographical constituencies, the ill effects of the commodity theory of labour and other ideas, which many of their present-day supporters regard as the last word in modernism.

The intellectual leaders of the new social philosophy were James Morrison, a young self-educated operative builder, who was the Editor and founder of the *Pioneer*, and the Rev. J. E. Smith, then Editor of the *Crisis* in place of Owen. Smith was not only Editor of the *Crisis*, but lectured regularly every Sunday evening at the Charlotte Street Institute. In one of these lectures he put the Syndicalist position quite clearly and distinctly.

"We have never yet had a House of Commons. . . . The only House of Commons is a House of Trades, and that is only

just beginning to be formed. We shall have a new set of boroughs when our Unions are organised; every trade will be a borough, and every trade will have its Council and representatives to conduct its affairs. Our present Commoners know nothing of the interests of the people. They are all landholders. How can a landholder represent a tradesman? Have the shoemakers a representative in the House of Commons? There are 133,000 shoemakers in the country . . . yet not one representative have they in the House of Legislation. According to the proportion which they bear to the population of the country, there ought to be twenty-five representatives in Parliament. There ought to be nearly as many carpenters, and all other trades in proportion. That would make a literal House of Commons, not a false one."—(*Crisis*, April 12th, 1834.)

For a time Owen seems to have accepted the Syndicalist form of social organisation, which Smith and Morrison propounded, without recognising the militant class-consciousness involved. It is he who gives us the most detailed outline of the new society. Speaking at the Charlotte Street Institute, on October 6th, 1833, Owen said:—

"I now give you a short outline of the great changes which are in contemplation, and which shall come suddenly upon society like a thief in the night. . . . All manufactures are to be carried on by National Companies. . . . All trades shall first form associations of lodges to consist of a convenient number to carry on the business; these lodges shall be called parochial lodges; all individuals of the specific craft shall become members, and these shall include all producers of wealth, or whoever contribute to knowledge or happiness. These parochial lodges shall meet weekly; they shall select delegates to form county lodges, to meet monthly, and these again shall select delegates to form provincial lodges to form perhaps ten in number for Great Britain. These shall superintend the trade of the provinces, and send delegates to the Grand National Congress, which shall, probably, meet in London. This is the outline for individual trades—they shall be arranged in companies or families; thus all those trades which relate to clothing shall form a company, such as tailors, shoemakers, hatters, milliners, and mantua makers; and all the different manufacturers shall be arranged in a similar way."—(*Crisis*, October 12th, 1833.)

Speaking the following week at the Co-operative Congress Owen further outlined the system, remarking incidentally that "The members of these

Unions will, in a short period, have the real power of the country under their influence."

We have here a remarkable anticipation of Sovietism, both in political as well as in industrial organisation. The implications of the limitation of membership to the productive classes may have been lost on Owen's pacifist and utopian mind, but to Morrison, Smith and the militants it meant dictatorship of the proletariat, and nothing less.

The genesis of this industrial philosophy was no brilliant intellectual anticipation of future speculation; it arose naturally out of the conditions of the Socialist movement. It was merely a logical extension of Owenite Co-operation upon a national scale, influenced by the rapid Trade Union growth.

We have seen that from 1830 onwards the Co-operative Society had tended to develop from trading to production, and that, under the influence of Owenism, the unions had frequently established workshops for the support of their unemployed members. It was no great step from the contemplation of such a workshop to the conception of one employing all the members of the union, and in view of the phenomenal growth of the unions, to the complete absorption of the industry. The general belief in the labour theory of value and the belief that labour received but one-fifth of the wealth produced, made the National Company appear as feasible as attractive. The general disgust with Parliament and the immense promise of the unions readily suggested a new political structure, based upon the form of industrial organisation.

The limited aims of the early unions had been largely the protection of their members against the worst excesses of the new Capitalism. But in

1834, from being entirely defensive, the unions became little short of revolutionary. Francis Place, undoubtedly the best informed man of his day upon all matters appertaining to labour, has left a vivid, if hostile, description of the ferment which was taking place.

"The nonsensical doctrines preached by Robert Owen and others respecting community and goods in common; abundance of everything man ought to desire, and all for four hours' labour out of every twenty-four; the right of every man to his share of the earth in common, and his right to whatever his hands had been employed upon . . . and other matters of a similar kind which were continually inculcated by the working men's political unions, by many small knots of persons, printed in small pamphlets and handbills which were sold twelve for a penny, and distributed to a great extent, had pushed politics aside . . . among the working people. . . . The consequence was that a very large proportion of the working people in England and Scotland became persuaded that they had only to combine, as it was concluded they might easily do, to compel not only a considerable advance of wages all round, but employment for everyone, man and woman, who needed it, at short hours. This notion induced them to form themselves in trades unions in a manner and to an extent never before known."

The militant spirit of the more active minds may be judged from an anonymous letter in the *Poor Man's Guardian* of August 30, 1834.

"In order to work out the salvation of the working classes, I would recommend that strikes should be repeated as often as possible, especially against employers who stand forth most prominently as the enemies of Labour. The men cannot lose by a strike, for the work wanted must be done at some future time; and the men ought to exercise their power of annoyance against their enemies by choosing their own time for doing the work. The great advantage of a strike is that it increases the enmity between labourers and capitalists, and compels workers to reflect and investigate the causes of their sufferings. There are thousands of labourers in England who go on from year to year in perfect contentment with masters who allow them a bare subsistence in exchange for their incessant toil. A strike of a week's duration among such labourers would make them ask the question by what laws they were compelled to toil and to starve in order that their masters may idle and roll in wealth. The fruit of such reflections would be a violent hostility against the capitalist classes, and the new converts would be prepared to

second the efforts of emancipation made by labourers in other quarters of England. Such a movement would inspire the capitalists with fear and would make them yield."

The right of the labourer to the full product of his labour had become the guiding principle of Trade Union thought. In the catechism used by the Metropolitan Auxiliary Lodge of the Grand National Consolidated Trades Union one of the questions runs as follows:—"Do you fully acknowledge that labour is the source of all wealth? And that those who labour have an unimpeachable right to secure to themselves, and for their own disposal, all its benefits and advantages?"

We find manifestos addressed to the employers which, if possible, must have caused even more astonishment than wrath. When Messrs. Walthew, the largest builders in Birmingham, took a contract to build the Grammar School, the following manifesto was drafted:—

"We, the delegates of the several lodges of the Building Trades—elected for the purpose of correcting the abuses which have crept into the modes of undertaking and transacting business—do give you notice that you will receive no assistance from the working men in any of our bodies to enable you to fulfil an engagement which we understand you have entered into with the Governors of the Free Grammar School to erect a new school in New Street, unless you comply with the following conditions:

"Aware that it is our labour alone that can carry into effect what you have undertaken, we cannot but view ourselves as parties to your engagement, if that engagement is ever fulfilled; and as you had no authority from us to make such an engagement, nor had you any legitimate right to barter our labour at prices fixed by yourself, we call upon you to exhibit to our several bodies your detailed estimates of quantities and prices at which you have taken the work, and we call upon you to arrange with us a fixed percentage of profit for your own services in conducting the building, and in finding the material on which our labour is to be applied. Should we find upon examination that you have fixed equitable prices which will not only remunerate you for your superintendence, but us for our toil, we have no objection, upon a clear understanding, to become parties to the contract; and will see you through it, after your having entered yourself as a member of our body and after your having been

duly elected to occupy the office you have assumed.”— (Podmore, *Life of Owen*, pp. 443 and 445.)

With this spirit expressing itself in strikes in every industry and town it was not long before a cleavage between the peaceful Owenites, with Owen at their head, and the militant leaders, became inevitable.

Owen had flung himself with his customary energy into Trade Union propaganda, believing that the unions might become the peaceful instruments of the great change.* He was Grand Master of the Grand National Consolidated, and under his inspiration the Executive Committee had issued various proclamations outlining the policy of the Union, in which the strike was disavowed and an orthodox Owenite co-operative programme suggested instead. How far Owen was out of touch with the spirits of the militants may be judged by the following protest:—“It is time that the official organ of the Consolidated Union (*Morrison's Pioneer*) should cease uselessly to irritate other classes of society.” Later, in order to silence Smith, he closed down the *Crisis*, and at the same time he persuaded the Executive of the Consolidated Union to dismiss Morrison.

But although Owen might mould the pronouncements of the Consolidated Union he could not control the policy of its entirely autonomous branches. Strikes arose in all directions, and these were soon followed by lockouts.

The upper classes had become thoroughly alarmed at the enormous growth of the Union and

* In the *History of Trade Unionism*, Mr. and Mrs. Webb suggest that Owen encouraged aggression. Indirectly this may be so, for the logical outcome of his economic teaching was undoubtedly the class war, but, as his various utterances in the *Crisis* show, his intentions were far different.

at the great ferment. The masters, aroused by the unprecedented attitude of their employees, made a frontal attack by locking out all who would not sign what was known as the "Document," renouncing membership of the Union. In the ensuing struggle the forces of law and order rendered valuable assistance. The classic example is the case of the Dorchester Labourers, who formed a branch of the Union. For this heinous offence they were brutally sentenced to seven years' transportation upon a mere technicality.

The continual strikes and lockouts proved too much for the Union. That ramshackle organisation, the growth of a few hectic months, devoid of funds, discipline and tradition, which time and slow growth alone can give, collapsed under the strain. Strikes and lockouts alike ended in working class defeat, and what was worse the disaster occurred on a rising market.

By the end of the year the revolutionary industrial movement was dead. The Grand National Consolidated Trades Union vanished. Along with it disappeared the Charlotte Street Labour Exchange and the majority of the Co-operative Societies, workshops and institutes. Amid the general ruin the skilled unions, which had largely remained aloof from the Consolidated Union, survived almost alone.

CHAPTER VI. CHARTISM

DURING the three years that followed the collapse of the Grand National Consolidated Trades Union, the working class movement lay paralysed. When it again revived the Syndicalism of 1833 and 1834 had burnt itself out and politics, in the guise of the Chartist Movement, became once more the channel of revolutionary expression.

Until quite recent times Chartism has received far less attention than its importance demands. Historians have been content to dismiss it in a few casual lines, regarding it for the most part as a mere political agitation led by a mountebank and ending in a farce. In reality it was the final phase of the great anti-Capitalist movement which commenced with Owen, and which was bred out of the horrors of the Industrial Revolution.

The misconception of the aims and importance of Chartism arose from the apparent concentration of the movement upon the Charter. This document, which gave the movement its name, was in the form of a Parliamentary Bill, containing the well-known Six Points, all of which were matters of political reform—Universal Suffrage, Annual Parliaments, Payment of Members, Vote by Ballot, Abolition of the Property Qualifications and Equal Electoral Districts. In this programme there was nothing new. Indeed it had been the common demand of reformers, wholly or in part,

for some sixty years, and had been vainly demanded by the National Union of the Working Classes at the time of the Reform agitation. From 1838 onwards these Six Points became the veritable creed of the English workers.

But the Chartist movement was much more than a mere attempt to reform political machinery. It was, beyond all else, an expression of proletarian class-consciousness, an elemental revolt against misery, falling wages and unemployment. Its three crises, in 1839, 1842 and 1848, coincide with periods of intense industrial depression, and its main strength lay in the industrial North and among the decaying handloom weavers. The Charter was at once a symbol of far-reaching social change and a means of bringing that change about.

Chartism was far less homogeneous than the preceding phases of the Socialist movement. The Co-operators, the Political Socialists, and the Industrialists had each a certain unity of aim or method, but throughout the whole life of Chartism there ran a cleavage of opinion as to whether the Charter could be obtained by education and persuasion, or whether an appeal to violence and insurrection would be necessary.

The conflicting policies of moral force and physical force represented the differing types of adherents, the convinced reformers and skilled artisans on the one hand, and on the other the ignorant, poverty-stricken and suffering masses kicking desperately against their intensifying misery and the appalling harshness of the new Poor Law.

William Lovett and Fergus O'Connor stand out as the protagonists of the contending sections. Lovett, the author of the Charter, was born in

1800, in Cornwall, of humble parentage. At the age of 21 he moved to London and became a cabinet-maker. He soon became interested in the Radical movements and later embraced Owenism. In 1829 he became storekeeper of the first London Co-operative Association. "I was induced," he tells us, "to believe that the gradual accumulation of capital by these means would enable the working classes to form themselves into joint stock associations of labour, by which (with industry, skill and knowledge) they might ultimately have the trade, manufactures and commerce of the country in their own hands." Lovatt's *Life and Struggles*, p. 42). He was among the promoters of the Metropolitan Trade Union, and an active member of the National Union of the Working Classes. After the fiasco of 1834 he devoted himself to the agitation for the repeal of the Newspaper Stamp Duty.

In appearance Lovett was tall, thin and delicate-looking. Place describes him in the following words:—

"Lovett was a journeyman cabinet maker, a man of melancholy temperament, soured with the perplexities of the world. He was, however, an honest-hearted man, possessed of great courage and persevering in his conduct. In his usual demeanour he was mild and kind, and entertained kindly feelings towards everyone whom he did not sincerely believe was the intensioned enemy of the working people; but when, either by circumstances or his own morbid associations, he felt the sense of the evils and wrongs of mankind, he was vehement in the extreme."

Lovett, in his clear-sighted sincerity, had little patience with the rhetorical but popular appeals to physical force, the strong language and mob oratory of O'Connor and his followers, whom he regarded as the wreckers of the movement. Although he might have been prepared to sanction the use of

force as an ultimate resort, his real hope lay in the education of the workers.

O'Connor was the antithesis of Lovett in every way. A man of immense physique and energy, with a fine bell-like voice, and a remarkable flow of language, he was shallow and not particularly well-informed. He first entered politics as a follower of O'Connell, the leader of the Irish Party in the House of Commons, where he sat for an Irish constituency. After a quarrel with O'Connell, and the loss of his seat, he came into touch with the London Radicals, but mutual antipathy persuaded him that the North would offer a better scope for his particular talents. Here, along with Oastler, Stephens and others, he threw himself into the Factory and Poor Law agitation, with immediate success. In 1837 he founded the *Northern Star*, which became the most important of the Chartist journals. By its aid he became the undisputed leader of the North.

Of the *Northern Star*, Hovell, a somewhat hostile critic, says:—

"The *Star* quickly became an institution, and no public-house was complete without it. It made no pretence of being an 'elevating' paper. Like many cheap papers to-day, it gave the public exactly what the public wanted. In fact, O'Connor and his men may be regarded as pioneers of cheap journalism. They gave away things for nothing and sometimes rose to illustrations, especially portraits of Radical heroes. Through the *Star*, O'Connor rose to power. He made money by it. He exercised graft through it. Chartist leaders became his paid reporters, and his reporters became Chartist leaders. It was Tammany Hall in embryo. The paper could make or unmake reputations, and local leaders went in terror of its censure. Place declared that the *Northern Star* had degraded the whole Radical Press. It was truly the worst and most successful of the Radical papers, a melancholy tribute to the low intelligence of its readers. The same explanation will perhaps do for O'Connor's success as well, for the paper was an expanded O'Connor."—(*The Chartist Movement*.)

The wild talk of armed revolt which O'Connor indulged in naturally appealed to the miserable operatives of Lancashire and Yorkshire as a short cut to betterment. How far he really believed in the possibility of Revolution is a difficult matter to decide, for on occasion he could call himself a man of peace, and more than once he repudiated violent methods. Probably the truth is that his irresponsible temperament compelled him to talk according to his audience.

His powerful personality and wonderful gift of speech gained for him the almost dog-like devotion of his followers, which he used to obtain the complete mastery of the movement.

He was one of the few leaders who were opposed to Socialism, and with him the opposition to the anti-Corn Law movement was more than a matter of tactics. Coming of agricultural stock, he appeared to believe in protection, and regarded agriculture as the natural occupation of man.

Standing midway between the extremes of moral and physical force, supporting sometimes one side, sometimes the other, was James Bronterre O'Brien, "the Schoolmaster of Chartism." Like O'Connor, he had had some legal training, but had dropped law in favour of revolutionary journalism. He was Editor of a long series of journals, commencing with the *Poor Man's Guardian*. He was a forceful writer, a Socialist, and a clear, though not particularly original, thinker. He was one of the earliest believers in social evolution and gradual change.

To obtain a clear impression of the complicated welter of cross currents, feuds and enthusiasms which composed the Chartist movement in its early days, it is necessary to deal somewhat fully with the

three main sources from which the movement sprang. Each differed fundamentally from the other, and each made its peculiar contribution.

The Charter itself was drafted by Lovett, at the instance of the London Working Men's Association. The immediate call for a national agitation for an extended suffrage, together with the proposals to hold a Convention and organise a national petition, came from the Birmingham Political Union, while the industrial districts of Lancashire and Yorkshire, seething with discontent, gave the movement its vitality and character, by supplying the bulk of its adherents.

THE LONDON WORKING MEN'S ASSOCIATION.

The London Working Men's Association was founded on June 16, 1836. The leading spirits were William Lovett, Henry Hetherington, James Watson and John Cleave, old members of the National Union of the Working Classes.

Although the membership was strictly limited to the working-class, the object and character of the Association were very different from the old National Union. Instead of the fierce and noisy debates there were to be mutual education and careful enquiry into social problems. Great care was taken to ensure the suitability of an applicant before he was accepted, for the Association aimed at a high moral and intellectual standard rather than large numbers, and from 1836 to 1839 less than three hundred members were admitted.

The first work of the Association upon its formation was the appointment of committees of enquiry into various subjects, including the constitution of the House of Commons. As a result it published, among other things, the famous pamphlet, *The*

Rotten House of Commons, a savage attack upon the Reform Bill of 1832. This pamphlet asks :—

“Is the landholder, whose interests lead him to keep up his rents by unjust and exclusive laws, a fit representative for working men?”

“Are the whole host of money-makers, speculators and usurers who live on the corruptions of the system fit representatives of the sons of labour?”

“Are the immense number of lords, earls, knights, baronets, honourables and right honourables, who have seats in that House, fit to represent our interests?”

“Is the manufacturer and capitalist, whose exclusive monopoly of the combined powers of wood, iron and steam enables them to cause the destitution of thousands, and who have an interest in forcing labour down to the minimum rewards, fit to represent the interests of working men?”

“Is the master, whose interest it is to purchase labour at the cheapest rate, a fit representative for the workman, whose interest it is to get the most he can for his labour?”

The actual step which led to the publication of the Charter was the calling of a public meeting on February 28, 1837, at the famous Crown and Anchor Tavern in the Strand, at which a petition to Parliament, embodying the famous Six Points, was drafted.

Arising out of this petition a joint Committee was formed, comprising six Radical members of the House of Commons and six members of the Working Men's Association, to prepare a Parliamentary Bill upon similar lines, a task which ultimately devolved upon Lovett.

This Bill was published on March 8, 1838, and was entitled “The People's Charter.”

THE NEW POOR LAW.

Many factors went to the making of the unparalleled discontent of the thirties. Firstly must be counted the general poverty of the working classes. They had no share in the immense wealth which the new Capitalism produced; for them, on

the contrary, its encroachments, with one or two temporary pauses, heralded a rapid decline in the standard of life, whilst the concentration of industry in the towns produced a congestion which, in the absence of sanitation and housing regulations, was indescribable.

The factory system introduced an industrial discipline into the lives of the workers as harsh as it was new, and added a bitterness to life for which poverty alone would not account. The old handloom weaver, though his hours had been long, had been in some respects his own master. He had worked in his own home under such conditions as he pleased. But in the new factory the discipline necessary "for the economical employment of the machinery," enforced upon the children by flogging and illtreatment, and upon adults by a ruthless system of fines and the fear of dismissal, was so odious that rather than submit to it the handloom weaver, once an aristocrat of his class, clung to his handloom in the face of unendurable competition, and starved miserably.

Between 1829 and 1835 the number of power looms in the cotton trade doubled, producing on the one hand the resentful factory worker, and on the other the embittered handloom weaver, both excellent material for agitation.

In 1836 fuel was added to the fire of discontent by the attempt to enforce the Poor Law Act of 1834 in the towns. Prior to this Act, poor relief had been granted on the wasteful and demoralising Speenhamland system. In practice it was used not only to relieve destitution, but to augment wages, and many employers, particularly in the agricultural districts, used it as a convenient source of cheap labour in a way which threatened to pauperise the whole of English labour.

The old Poor Law was disastrous in its results. The faults of the new Poor Law were of a very different character. It entirely abolished outdoor relief for the able-bodied and in its place insisted upon the workhouse. In order to discourage the applicants and to winnow the really destitute and deserving, the workhouses, with doctrinaire thoroughness, were made as unpleasant and forbidding as possible. From objective and detailed descriptions of the régime, with its insufficient food and cruel discipline, its separation of husband and wife, and mother and child, starvation outside seemed indeed preferable to semi-starvation inside.

Dr. Kay, a Poor Law Commissioner, put the matter in a nutshell. "Our interest is to make the workhouses as like prisons as possible, and to make them as uncomfortable as possible."

The rage and indignation of the poor at the new Act were unbounded and were vigorously voiced by the agitators.

Cobbett denounced it as a violation of "those rights of the poor which had always existed since England was called England," and in the House of Commons roundly declared that its object was to "rob the poor man to enrich the landowner," and that it aimed at the reduction of wages and was to compel the poor to live upon potatoes.

O'Brien, more concerned with the Capitalist, attacked it with equal bitterness in his *National Reformer* of January 7, 1837:—

"Our workpeople, both agricultural and manufacturing, are already ground down as low as commercial avarice can grind them without exterminating them altogether; yet the money-monster is not half satisfied. As a last resource, this monster has now passed a new Poor Law Act, to make the labourer live on coarser food or on no food at all—an Act which treats the victims it has impoverished as other States treat convicted felons

—an Act which gives a felon's garb, a felon's fare and a felon's gaol to the broken-down man whose toil has enriched the monster, and whose only crime is that he did not strangle the monster a century ago. . . . Yes, my friends, the new Poor Law Act is the last rotten, blood-stained prop by which the money monster hopes to sustain the tottering fabric of his cannibal system—that that merciless system, which first makes you poor in the midst of wealth of your own producing, and would then bastile and starve you for the fruits of its own barbarity.”

Stephens made it the basis of his agitation. The following extract from a sermon preached on January 6, 1836, is not only an excellent sample of his oratory, but also of the ungovernable hatred of Malthus and his Law of Population, which was general among the anti-Capitalists.

Having compared the condition of the English workers very unfavourably with that of the Israelites in bondage in Egypt, he continues :—

“Nor was the ‘law’ (commanded by Pharaoh, Exodus i. 16) to strangle and drown every male child half so inhuman, half so horrible a mode of ‘legislating for the independence and comfort’ of the people ‘lest they should multiply’ too fast and become too many for the security of the estates of their representatives, as the plan adopted and carried out by Christian statesmen in our own country under the provisions of the Poor Law Amendment Act. The Israelites still had their home and their hearth, their wife and such of their children as did not come under the ‘provisions of the Act.’ They ‘dealt mercifully as well as wisely with them’ in comparison with the dealings of the Poor Law Commissioners of England and Wales, who break up every poor man’s cottage, take away every poor man’s wife, lay their bloody hands on every poor man’s child, imprisoning, starving, and destroying without mercy and without measure all the poor of England, ‘lest they should multiply’ and replenish the earth. Hence it is that I hail the proposed revival by Marcus* of the Egyptian theory of ‘limiting populousness.’ For this reason I hail his scientific discovery of painless extinction, and I implore the Poor Law Commissioners to abandon their system of gratuitous torture, their endless modes of savage barbarity, and

* Marcus was a pseudonymous author of a ghastly parody of *Malthus on Population*, in which various devices for painless infanticide were described. Stephens affected to believe that this absurd pamphlet was the work of the Commissioners or of their myrmidons.—(Hovell, *The Chartist Movement*, p. 91.)

at once adopt the easier, more merciful and economical method recommended to their notice by the Christian successor of the Magi of Egypt."

It was unfortunate that the first attempt to enforce the new Act in the towns synchronised with the commencement of a severe industrial depression. To add to the general suffering a series of bad harvests produced a rapid rise in the price of wheat, which jumped from 39/5 in 1836 to 69/4 in 1839. The combined effect of unemployment and soaring prices lent added force to the denunciations of Stephens, Oastler and the rest, and gave them an audience only too willing to listen to the suggestions of violence which formed the gravamen of so much of their oratory.

It is small wonder that when this blazing mass of discontent was flung into the Chartist agitation by its leaders, the pacific and educational methods of Lovett and the Working Men's Association were overwhelmed in secret arming and drilling, in immense torchlight processions and even insurrection itself.

THE BIRMINGHAM POLITICAL UNION.

The Birmingham Political Union had played an important part in the agitation for the Reform Bill of 1832. After the passing of the Bill it had remained quiescent for several years, but re-awakened to activity in the spring of 1837.

The services it rendered to the Chartist movement were of considerable importance, though they were confined to the initial stages. From this body came the proposals for a National Petition and for a Convention, which gave form and organisation to the inchoate discontents and disconnected agitations, enabling them to coalesce into Chartism.

When Lord John Russell made his famous statement on November 27, 1837, that the Reform Bill must be regarded as final, the Union issued an appeal to all reformers to unite in a national agitation to compel the Government to grant universal suffrage. The response was immediate, and for the next six months a widespread agitation proceeded vigorously.

On the 24th of May, 1838, an immense demonstration in favour of extending the franchise was held at Glasgow, at which, it is said, 200,000 people were present. It was addressed by delegates from the Working Men's Association and the Birmingham Union. This meeting marks the birth of the Chartist movement. Dr. Wade, the fat, jolly old vicar of Warwick, an Owenite of long standing, as representative of the Working Men's Association, presented the *People's Charter*, which had been published only the week previously. On behalf of the Birmingham Union Attwood presented the National Petition, made public for the first time, and also put forward the proposal to hold a "General Convention of the Industrious Classes." The proposed Convention was to consist of delegates, not representing any particular body or organisation, but elected at huge public demonstrations. The Convention when elected was to act as a kind of General Staff to the agitation. These proposals were acclaimed with enthusiasm.

The first election of delegates to the Convention took place at Birmingham on August 6 at a demonstration as large as that held at Glasgow. All the well-known orators of the movement were present and addressed the meeting. The Birmingham meeting was followed by others in all parts

of the country, and by the end of the year the election of delegates to the Convention was complete.

The Birmingham Union was middle-class in outlook; its leaders, particularly Thomas Attwood, M.P., were currency cranks, who fondly believed that an extended suffrage would enable them to impose their pet scheme upon the Government. It was not long before the fundamental incompatibility of such an organisation with a working-class revolt against Capitalism became manifest. But when the Convention met the differences at first were latent and unexpressed.

The gulf between the two points of view is well illustrated by the difference in tone which marks the first and second Chartist petitions. The first, which was presented in 1839, was drafted by Douglas, Editor of the *Birmingham Journal*. The wordy, high-flown preamble contains such phrases as :—

“We, your petitioners, dwell in a land whose merchants are noted for enterprise, whose manufacturers are very skilful . . . our traders are trembling on the verge of bankruptcy. . . . Capital brings no profit. . . . We tell your honourable house that the capital of the master must no longer be deprived of its due reward.”

Despite one or two references to low wages there is nothing in tone or substance which would connect it with working-class revolt.

The petition of 1842, however, is couched in very different terms. The preamble is a fierce protest against low wages and bad conditions. It protests against the new Poor Law on account of its “un-Christian character and the cruel and murderous effects produced upon the wages of working men and the lives of the subjects of this realm.” It contrasts wages with the civil list :—

"While your petitioners have learned that Her Majesty receives daily the sum of £164 17s. 10d., they have also ascertained that many thousands of the families of the labourers are only in receipt of 3½d. per head per day. Your petitioners have also learned that His Royal Highness Prince Albert receives each day the sum of £104 2s. 0d., while thousands have to exist upon 3d. per head per day. Your petitioners have also heard with astonishment that the King of Hanover daily receives £57 10s., while thousands of the tax-payers of this Empire live upon 2½d. per head per day. Your petitioners have, with pain and regret, also learned that the Archbishop of Canterbury is daily in receipt of £52 10s. per day, whilst thousands of the poor have to maintain their families upon incomes not exceeding 2d. per head per day."

The petition further recites the evils of the factory system and of long hours, and complains of the travesty of justice in the trials of Chartists.

THE CONVENTION.

The National Convention met in London on the 4th of February, 1839. The enthusiasm it evoked among the Chartists everywhere was only equalled by the self-satisfaction and optimism of the delegates themselves. They regarded themselves as the real representatives of the people. Their electorate far outnumbered that of the usurpers at Westminster; Parliament was elected by some six hundred thousand voters, while the delegates from Manchester, Birmingham and Glasgow alone had been elected at meetings attended by greater numbers than that. The Chartists claimed for the Convention equality with Parliament, and when O'Brien moved that the members of the House of Commons should be invited to meet the Convention at the Crown and Anchor Tavern, it was agreed to in all seriousness.

Unfortunately, the moral rights of the Convention did not alter the fact that Parliament was in possession. Even the delegates were compelled to

realise this, and it brought them face to face with that most contentious subject, "the Ulterior Measures," to be adopted in the event of the rejection of the Charter.

What was to be done? What measures were to be taken if the moral influence of the discussions of the Convention, of the petitions, meetings and manifestos were all to be of no avail?

"In reading the reports of the Convention, it is possible even at the present day to realise the mental anguish endured by the delegates to answer these questions. On the one hand they felt a repugnance to an open and full exchange of opinions, on the other hand they made the most anxious efforts to obtain an answer to their enquiries. There was no question of any dread of legal consequences, and dread of the power of the Government, but of solicitude for the stability of the Convention and for the united action of the Chartist agitation. Discussions on this point commenced in the second week of the Convention (February 11th to 17th, 1839) they were deferred, resumed and again deferred until the course of events rendered it impossible to postpone a decision."—(Beer, *History of British Socialism*, II. p. 62.)

All the various sections of the movement were represented in the Convention. On the right was the peaceful and strictly legalist delegation from Birmingham, while on the extreme left was the small group of insurrectionists, led by George Julian Harney.

Harney, who was only 22 years old at the time of the Convention, was the fire-eater of Chartism. As a youth he had been employed by Hetherington, and in the Unstamped Agitation had more than once been imprisoned. During the Convention he became Editor of the *London Democrat*, which preached insurrection with great vigour, ridiculing the possibility of any result from speeches and petitions. It was not surprising that, despite a very general desire, unity was impossible in so heterogeneous a body.

When the Convention turned to the consideration of the National Petition, which was to be presented to Parliament, it was found that many districts had never been touched. It was felt advisable to delay presentation until these had been covered, and to this end fifteen of the best speakers were sent on tour. With this and other delays three months elapsed before the petition was ready. The intervening time was spent in interminable discussion, and Lovett, who had been elected secretary, dolefully remarks that "the love of talk was a characteristic of our little house as of the big one at Westminster." The net result was an emphasis of the differences within the Convention.

The inaction soon wearied the wilder spirits, who became more and more extreme, and outside the Convention Harney and his associates, both by voice and pen, continued to agitate in favour of insurrection.

The discussion upon ulterior measures was first raised by the enquiry of P. J. Cobbett, son of William Cobbett, as to the purpose of the Convention. Was it merely to agitate and petition, or was it, in extremity, to use force to gain its ends? Cobbett was definitely of the former opinion, but as the majority clearly differed from him he withdrew, soon to be followed by the Birmingham delegates. To avoid a definite decision the good old plan of appointing a Committee to report was adopted.

On May 7th the petition, which now contained 1,280,000 signatures, was considered complete and was handed over with all ceremony to Attwood and Fielden, who were to present it to the House of Commons as soon as possible. It was wound upon

a huge spindle, and measured over two miles in length.

Three days after the two M.P.'s had taken charge of the Petition, it was decided, on the motion of O'Connor, to remove the Convention to Birmingham. The motive seems to have been a suspicion that the Government were preparing to arrest members, and as one of the Birmingham delegates who had been elected in place of one of the seceding members declared that "the people of Birmingham would stand forth as a wall of brass in protection of the Convention," it was felt that there would be less likelihood of interference.

On the 13th the delegates arrived and received an immense ovation. On the 17th the Convention adjourned until July 1st, in order that the delegates might conduct a vigorous campaign throughout the country while the Petition was before Parliament.

The Petition was presented to the Commons on June 14th, but Attwood's motion for a Committee of the whole House was not brought forward until July 12th. As was expected, it was heavily defeated.

Meanwhile the re-assembling of the Convention on July 1st, at Birmingham, was marked by exciting events. Since May 4th demonstrations had been forbidden in the Bull-Ring, but the Chartists once again invaded their favourite meeting-place, with the result that a very bloody collision with the special police, who had been imported from London, took place, and finally the military had to be called in. Lovett immediately brought forward a strong condemnatory resolution in the Convention, which was issued as a poster. Collins, who had taken the copy of the resolution to the printer, and Lovett, who, as secretary, had signed it, were

immediately arrested on a charge of seditious libel and later sentenced to twelve months' imprisonment.

The Convention proceeded once again to discuss Ulterior Measures, and it was decided that a general strike should be proclaimed on August 12th. Later, however, O'Brien, who had been absent, succeeded in reversing this decision on the grounds that there was no possibility of any general observance. This final exhibition of indecision, following after the weeks of interminable and futile discussion, gave the deathblow to the Convention, and a few weeks later it dissolved in a fog of mutual recrimination and general discredit.

During the period of the Convention the tension between the Government and the Chartists had been rapidly increasing. In the North and West pikes were manufactured in large quantities, and even muskets were procured; meanwhile excitement grew steadily. The Government, well supplied with information, were perfectly aware of what was afoot, and although during the early part of the year Lord John Russell, the Home Secretary, acted tactfully and with restraint, the pressure of upper-class opinion and the general alarm eventually induced the Government to act.

By good fortune Sir Charles Napier was put in charge of the North and his sympathy with and understanding of the Chartists, his tact and level-headedness, avoided much bloodshed. There was only one really serious collision between the military and the Chartists—the so-called Newport Insurrection—which took place on November 4th, and which had as its object the release of Vincent from Monmouth Gaol. In this affair, which was

very much exaggerated as regards the numbers involved, fourteen Chartists lost their lives.

As the year proceeded the Government repression increased in severity, and by the spring of 1840 not a single leader of importance was at large. From January, 1839, to June, 1840, 543 Chartists were sentenced to imprisonment, of whom more than one-half came from Lancashire and Yorkshire. The repression brought with it all the usual concomitants, fabricated evidence, gross prejudice, the employment of spies and agents provocateurs. The Chartists were harried wherever they were found, and with their leaders in gaol and their newspapers suppressed, the movement seemed to be arrested. In reality it had been merely driven under ground.

REVIVAL.

The repression paralysed the movement for a time, but it was not long before there were signs of a revival, for despite imprisonment the leaders remained in constant touch with their followers. Prison regulations in those days were more elastic and much less uniform than now. The visiting magistrates could grant innumerable privileges and relaxations of discipline, and while many of the imprisoned Chartists suffered terribly, others were comparatively comfortable. O'Connor contributed a weekly article to the *Northern Star*, in which he made the most of his martyrdom, and later engaged in a vigorous controversy with O'Brien, who was also in gaol. Thus long before the release of the leaders the movement was again under way.

Experience had impressed very deeply the necessity for organisation. Insurrectionism was dead, and its place was taken by a desire to build

up an organised party for steady, unceasing propaganda. Throughout the spring of 1840 there were continual attempts to revive the local groups, and preparations were made for a delegate conference to discuss the question of a national organisation. This conference was held in Manchester on July 20th, and was composed of 23 delegates from various parts of the United Kingdom. None of the well-known figures were there.

The Conference had before it a large number of different schemes of organisation, some submitted by the imprisoned leaders, others by the delegates themselves. The outcome was the formation of the National Charter Association, which was pledged to legal and peaceable methods. It was open to all supporters of the Charter. Members were to be grouped in classes of ten, under a leader; the classes were to be combined into wards, and the wards into towns. The whole was to be subordinate to an executive of seven. The subscription was to be a penny per week.

At its height the N.C.A. never contained more than 40,000 members, the majority of whom paid their subscriptions very irregularly. It existed through various vicissitudes until 1852.

While in prison, despite the harsh treatment to which he was subjected, Lovett had written with some help from Collins a small book, entitled *Chartism a New Organisation of the People*, which in effect was a complete system of education, dependent upon voluntary contributions. On his release he formed the "National Association for Promoting the Social and Political Advancement of the People," with the object of carrying out his scheme of voluntary education. Although this new Association was in no way intended to supersede

the National Charter Association, but aimed rather at being a specialised adjunct, it produced a virulent campaign by O'Connor and the *Northern Star* against Lovett and all who were supporting it. They were accused of treachery and of attempting to split the movement. Every kind of abuse and misrepresentation was heaped upon them. O'Connor actually wrote in the *Northern Star* (May 8th, 1841), "Who were the three most physical force men in the Convention? Lovett, Collins and Hetherington!" Such a statement shows the metal of which O'Connor was made, and that it passed is a clear indication of the unreasoning faith of his followers.

The reception of the Association practically drove Lovett and his friends from the Chartist movement. He appeared again in 1842 in connection with Sturge's Complete Suffrage Campaign, but after that his direct part in Chartism was negligible. The elimination of Lovett was rapidly followed by that of O'Brien. O'Connor, aided immensely by his control of the *Northern Star*, was rapidly becoming supreme in the movement, and his egotism allowed neither rivals nor critics.

In the General Election of 1841 the Chartists were faced with the problem of how to use their influence. O'Connor, from York Prison, wrote to the *Northern Star*, urging support of the Tories against the treacherous Whigs. O'Brien, who was confined in Lancaster, wrote savagely attacking the proposal. How, he asked, could the Chartist support either Whig or Tory? What was to be hoped from either? Opposition to both was the only possible policy. The breach thus formed rapidly widened, and finally became complete as a result of O'Brien's support of the Complete Suffrage

movement, which was started by Joseph Sturge, a wealthy Birmingham Quaker, in 1842.

Sturge, like many middle-class Radicals, firmly believed in the Six Points of the Charter, but naturally could not share the fierce class-consciousness of the Chartists, nor the Socialistic ends to which the Charter was but a means. His Complete Suffrage scheme aimed at joint campaign for Parliamentary reform on the lines of the Charter. Lovett, O'Brien and others, who hated the blatant domination of O'Connor, hoped to find some mutual basis of agreement, but as the middle-class Radicals were afraid of the name and associations of the Charter, and as Lovett and his friends on the other hand were not prepared to abandon a name which had become sacred to them, the plan came to nothing.

In 1842, under the auspices of the National Charter Association, another Petition was prepared. The preamble, which we have already noticed (see p. 67) was a vigorous statement of working-class woes, and in every way a contrast to that of 1839. This was the largest of the three Chartist petitions, and contained 3,315,752 signatures. In the Debate in the House of Commons, Macaulay opposed the Petition in a noteworthy speech, which showed that he clearly grasped the underlying economic motives of the Chartist movement.

"I am opposed to universal suffrage. I believe that universal suffrage would be fatal to all purposes for which Government exists. . . . I conceive that civilisation rests on the security of property . . . the petition must be considered as a sort of declaration of the interests of the body, who, if the Charter is to become law, will become the sovereign body of the State—as a declaration of those who would in that event return the majority of representatives of the people to this House. What is the petition directed against? It is opposed to the National Debt.

monopoly in land, in machinery and in the means of transit. They find these to be the sources of the evils which must be stopped. What does that mean? It is an expression of opinion . . . that landed property, machinery, means of transit, indeed, the monopoly of property in general, should cease to exist. Can it be anything but a sweeping confiscation of property which is contemplated?"

The Petition was defeated by 287 to 49 votes.

THE PLUG PLOT.

The most important event of 1842, and one which marks the culmination of the Chartist agitation, was the great strike in the North of England. This strike, which became known as the Plug Plot, from the action of the strikers in withdrawing the boiler plugs to ensure the stoppage of the machinery, almost developed into an insurrection in favour of the Charter. In its origin it had nothing whatever to do with Chartism. The industrial depression, which commenced in the autumn of 1841, had led to a rapid decline in wages, already miserably low, and on the 5th August, a strike was declared in Ashton purely on the wages question. It spread like wildfire throughout Lancashire and Yorkshire and southwards into Staffordshire, where Thomas Cooper had worked the operatives into a state of frenzy. In a few days industry throughout this area was at a standstill.

On August 12 a large conference of delegates from the factory districts of Lancashire met in Manchester and passed a resolution urging a general strike in support of the Charter. Three days later at another delegate meeting it was decided by a large majority to remain on strike until the Charter became law.

By pure coincidence the Chartists had decided to hold a conference in Manchester on August 16th, in connection with the unveiling of a monument to

Henry Hunt. Arriving in Manchester they found the strike complete and the whole district paralysed. They dropped their original object to discuss the situation. Thomas Cooper, who was present, has left an interesting account of the debate. Cooper himself was for insurrection, but strangely enough O'Connor and Harney were opposed to anything which might lead to physical force. Ultimately a resolution was passed approving of the strike, and a violent manifesto issued urging its continuance until the Charter was obtained. The Chartists then dispersed to do nothing.

The strike was soon over, the men, hopelessly beaten from the start, gradually returned to work, and nothing remained now but the aftermath of persecution. Nearly fifteen hundred persons, including a large number of Chartists, were tried for various offences. The vast majority were condemned to imprisonment. O'Connor escaped upon a technical point, but Cooper received two years.

THE LAND SCHEME.

The Plug Plot marks the highwater mark of Chartism. From the autumn of 1842 the movement commenced to decline, though in 1847 and 1848 there was a final burst of energy, which was partly a result of the increased severity of the industrial depression, partly a repercussion of the several revolutions on the Continent.

The intervening years were used by O'Connor, who was now supreme, for the development of his land scheme. O'Connor was consistent in his hatred of industrialism as in nothing else. As early as 1841 he had propounded schemes of peasant

proprietorship in the columns of the *Northern Star*. In 1843 he commenced a definite agitation which two years later led to the formation of the Chartist Land Co-operative Society, which in the early months of 1847 became the National Land Company, with a capital of 100,000 shares of £1 6s. each.

The proposal was to raise money for the purchase of estates which were then to be broken up into small holdings of one acre upwards. Houses were to be built and tenants were to be chosen from among the shareholders by ballot. The holder of one share, who was successful in the ballot, would be entitled to a house, one acre of land and £7 10s. with which to stock it. A holder of two shares would be entitled to a house, two acres and £15. The rent was to be 5 per cent. on cost. With the accrued rents and a mortgage on the first estate another estate would be purchased and similarly treated. The process was to be repeated until all the shareholders were settled upon the land.

O'Connor supported this fantastic scheme by still more fantastic figures, ranging from the productivity of small holdings to the amounts obtainable on mortgage.

The pitiless analysis of the scheme which O'Brien poured out week by week in the *National Reformer*, and the general chorus of criticism, had little effect upon the enthusiasm of its supporters, and subscriptions flowed in, mainly from the North. An estate of 103 acres was bought in March, 1846, another of 170 in October. During the next fifteen months three estates, with a total of 850 acres, were purchased, and the building of the cottages proceeded rapidly.

The year 1847 was another year of industrial depression, and the waning cause again awakened to its old vigour. In the Parliamentary General Election of that year the Chartists contested a number of seats. O'Connor was elected for Nottingham, but none of the others were successful. Among the unsuccessful candidates was Ernest Jones, a new recruit, who was to become the leader in place of O'Connor.

Jones was born in Germany in 1819. His father was equerry to the Duke of Cumberland, who became later the King of Hanover. Coming to England in 1838, he commenced to study law and also busied himself with literature. His best known poem is *A Song of the Lower Classes*. Jones was a gifted orator, and probably the clearest thinker the movement produced. But he was too doctrinaire and difficult in temper to be a really successful leader. He sacrificed not only a career at the Bar by his espousal of Chartism, but also a legacy which amounted to £2,000 a year from an uncle, who disinherited him for his opinions. In 1851 he started *Notes for the People*, an interesting paper which ran for three years. He finally returned to the law, and practised as a barrister in Manchester.

During the years 1846 and 1847, and perhaps a little earlier, another influence commenced to make itself felt in the Chartist movement. Revolutions were brewing on the Continent, and political refugees were coming into England in increasing numbers. These naturally came into touch with the English revolutionists, particularly Harney and Jones. Engels, who had settled in Manchester, had for some time contributed to the *Northern Star*, and together with Karl Marx, who was at that

time exiled in Belgium, had made more than one attempt to capture O'Connor. O'Connor, however, was the one Chartist leader who failed to react to internationalism.

The effects of this internationalist influence became apparent when revolution flamed up in Germany, France and Austria, in the early months of 1848. The Chartist movement, already stimulated by the revival of the previous year, received the news with unbounded enthusiasm, and Harney and Lynton were sent across to Paris with a congratulatory address. Meetings and demonstrations were held throughout the country, secret arming and drilling commenced again, and there were numerous collisions with the military and police.

The third Petition was prepared and a Convention assembled in London on April 3rd to prepare for its presentation on the 10th. O'Connor talked of five million signatures, and Jones, even more sanguine, claimed that six million at least were to be expected.

With the turmoil on the Continent not yet settled the Government and the upper classes took fright at what seemed to threaten a similar outbreak in England. On April 7th the Convention was declared to be an illegal body; London was filled with soldiery and 150,000 special constables were sworn in, while the Duke of Wellington was put in command of the defences of the city. The clerks of various Government buildings were provided with rifles and prepared to withstand siege.

The Convention had arranged that a huge procession, starting from Kennington Common, should accompany the Petition to the House, led by the members of the Convention. When the morning of the 10th arrived a vast crowd assembled on the

Common to listen to the harangues of the leaders prior to marching to the House of Commons. Before the meeting commenced the Commissioner of Police sent for O'Connor and informed him that the procession would not be allowed to approach Westminster, and that in the event of trouble O'Connor would be held personally responsible.

O'Connor was on the horns of a dilemma. To go forward would undoubtedly lead to serious bloodshed and to trouble for himself. To abandon the procession in face of his platform record on the subject of physical force would be public humiliation. O'Connor chose the latter. Thanks to his skill as an orator, the crowd dispersed and the Petition proceeded ingloriously to the House of Commons in three cabs.

Worse, however, was to follow. In presenting the Petition, O'Connor claimed that it contained 5,700,000 signatures. When counted there were found to be only 1,975,000, a million and a quarter less than the Petition of 1842. Moreover, many sheets were in the same handwriting, while others contained such fictitious signatures as Pugnose, Flatnose, Punch, Victoria Rex, and the Duke of Wellington. With the sudden anti-climax the tension relaxed and derision took the place of fear. Chartism as a mass movement had received its deathblow.

The fiasco of the Petition was rapidly followed by another blow. O'Connor's Land Company became bankrupt; many settlers were starving, charges of misappropriation grew in number, and finally the Government appointed a committee of enquiry, which made an exhaustive investigation and report. Although O'Connor was cleared of any charge of dishonesty, the gross irregularity and

incompetence of the management were equally damning, and completely shattered what prestige had survived his *volte face* on April 10th.

Little now remains to be told of Chartist history. The collapse was followed as usual by bitter Government persecution. The decline of the movement, which had been temporarily checked in 1847, continued even more rapidly. General popular support was never regained, and in 1853 even the National Charter Association dropped out of existence. O'Connor, who for some time had been showing signs of mental derangement, was confined in an asylum, where he died in 1855. With the passing of O'Connor, there was no one personality strong enough to hold together such remnants as were left, and while Jones was undoubtedly the most prominent leader, he was unable to prevent progressive disintegration. The Chartist organisation finally vanished in 1854, although individual Chartists, particularly Jones, continued a spasmodic propaganda for a few years longer.

The death of Chartism marks the end of a period, which commenced with the publication of Owen's Plan in 1817. It may seem that a movement, which appeared to concentrate on a narrow programme of political reform, lay outside the direct line of descent from anti-political Owenism, but that is not really so. The political demands of the movement were but means to an end. This concentration upon the Six Points was the outcome of two factors, firstly, a general belief that the ultimate aims of the Chartists were unobtainable until the workers had control of Government; secondly, a fervent desire for unity. To each Chartist, the Charter, which rapidly developed into a kind of wonderworking fetish, meant the removal of his

own individual grievance, no matter whether it was low wages, unemployment, or the new Poor Law. But beyond all these the right of the worker to the full fruit of his labour, and the abolition of the exactions of the Capitalist, loomed as the fundamental ideals.

It is curious to note that at first the most popular leaders of discontent were Tories. Stephens, Oastler and O'Connor voiced grievances of the masses, and in their flamboyant oratory played up to their crude class-war Socialism. But it would have been impossible to have united them with convinced Owenites of the type of Lovett and Hetherington or with social-democrats such as O'Brien and Harney in any clear-cut Socialist programme. Nevertheless, it was the Socialistic teaching of these men that gave them their power. Francis Place describes how O'Connor, Stephens and Oastler went far beyond mere negative denunciation of the Poor Law. "These men, by . . . their repeated assurances of a speedy overthrow of all our social institutions and the establishing in their places of a much more rational and consequently just system, which should give to each of the producing and 'the only useful class' all the wealth of the country, the complete control for the future became the acknowledged leaders of the masses of the working people in many thickly-populated places."

After the early secessions practically every Chartist leader, with the exception of O'Connor, was a Socialist. The attitude of the Working Men's Association may be gathered from its pamphlet, *The Rotten House of Commons* (cf. p. 61) O'Brien, the schoolmaster of Chartism, and the most popular journalist of the movement preached

Socialism incessantly, both by voice and pen, and when he wrote a special article upon "Property" in the *Northern Star* that number had a record sale. Harney, in this as in all else, was on the extreme left.

A writer in the *Westminster Review* of April, 1839, makes the following statement:—

"Owenism, as those are aware who habitually watch the progress of opinion, is at present, in one form or another, the actual creed of a great portion of the working classes."—Quoted, *Beer, op. cit., p. 45.*)

But more instructive than the views of individual leaders are the tacit assumptions and indirect evidence, which may be found throughout the Chartist Press and in the reported speeches. The *Northern Star*, O'Connor's own paper (and O'Connor, it must be remembered was no Socialist) gives an excellent example. When attacking Lovett's proposal to build schools by penny subscriptions, it poured ridicule upon the voluntary method. It suggested alternatively that control of Parliament "would, we fancy, put us in less than two years in joint possession of all the town halls, science halls, union halls, normal and industrial schools, libraries, parks, pleasure grounds, public baths, buildings and places of amusement in the kingdom, ready built, furnished, stocked and raised to our hand." The assumption that communal ownership would follow the Charter is obvious.

When O'Connor attacked an individual he relied primarily on an appeal to mob psychology, and the above example could not have been effective had not the Chartist "mob-mind" been already familiar with the idea of communal ownership as a logical consequence of the Charter.

It is significant also that with the death of Chartism as a mass movement the period of class-consciousness closes.

The causes which led to the collapse of Chartism are not far to seek. The fiasco of the Petition and the land scheme were severe blows, but so were the disasters of 1839 and 1842. After 1843 the forces which earlier had operated to create a revival were weakened. From that time onwards there was a steady improvement in the conditions of the working class. The handloom weaver was passing, as also was the bitterness against the Poor Law of 1834. Capitalism was establishing itself, its birth-pangs were lessening, and it was gradually impressing its ideology upon the working class. The success of the anti-Corn Law League was more than a defeat of the landlord by the manufacturer. It was also a victory of Capitalist ideology over proletarian. The workers had accepted Capitalism.

Henceforward until the end of the century their activities were confined to the building up of the great trade unions. Militant Owenism was replaced by the Consumers' Co-operation of the Co-operative Movement. And although we may find revolutionary Owenite phraseology in the preambles to trade union rule books or in co-operative statements of aims, they are mere relics. The vast mass of the trade unionists were mainly concerned with improvements in wages and hours, the co-operators with prices and dividend. For the half century following the collapse of Chartism, working class aims were strictly limited to amelioration. Socialism was relegated to the study and its progress was confined to the evolution of its theories.

CHAPTER VII.

THE CHRISTIAN SOCIALISTS

THE last phase of the non-historical, Utopian Socialism was the Christian Socialist movement, which lasted from 1848 to 1854. It is important more on account of the names connected with it than for anything it achieved or anything it added to Socialist thought. Its leader and inspirer was F. D. Maurice, and grouped round him were Charles Kingsley, Thomas Hughes, Vansittart Neal and J. M. Ludlow.

It was essentially a religious movement, inspired by the belief that social evils could only be abolished by bringing every-day life into harmony with Christian ethics. Thus competition and selfishness must be replaced by co-operation and fellowship. God's order must be asserted. The Socialists had failed in the past by rejecting God's plan in favour of their own, so that not only must the Christian be socialised, but the Socialist Christianised. So long as Christianity and Socialism remained apart each was helpless.

The first public pronouncement of the group was a poster, issued on April 11th, 1848, the day of the Chartist fiasco. This poster, drafted by Kingsley, was an address to the workmen of England. It dealt mainly with the Charter.

"You think the Charter would make you free—would to God it would! The Charter is not bad, if the men who use it are not bad. But will the Charter make you free? Will it free you from the slavery to ten pound bribes? Slavery to gin and beer? Slavery to every spouter who flatters your self-conceit, and stirs up bitterness and headlong rage in you? . . . Friends, you want more than Acts of Parliament can give . . . A nobler

day is dawning for England, a day of freedom, science, industry ! But there will be no true freedom without virtue, no true science without religion, no true industry without fear of God and love to your fellow-citizens.

"Workers of England, be wise, and then you must be free, for you will be fit to be free."

A WORKING PARSON.

Early the following month a small weekly called *Politics for the People* was commenced under the joint editorship of Maurice and Ludlow. Kingsley contributed a series, "Letters to the Chartists," above the signature of Parson Lot, very much in the vein of the poster. In his first letter he says :—

"If anyone will tell me of a country where a Charter made the rogues honest or the idle industrious, I shall alter my opinion of the Charter, but not till then. It disappointed me bitterly when I read it. It seemed a harmless cry enough, but a poor, bald, constitution-mongering cry as I ever heard. That French cry of 'Organisation of Labour' is worth a thousand of it, and yet that does not go to the bottom of the matter by many a mile."

Politics for the People only ran for three months.

It made no impression on the Chartists, who must have found the superior attitude of Parson Lot excessively irritating. It was followed by a series of tracts upon Christian Socialism, and later, in 1850, by the weekly, *Christian Socialist*, which lasted for twelve months.

The French cry of "Organisation of Labour," to which Kingsley referred was the teaching of Louis Blanc. Later, when Ludlow returned from a visit to Paris, full of enthusiasm for Buchez' *Associations Ouvrières*, the Christian Socialists threw themselves into the work of forming similar co-operative associations of producers, in which profit was to be distributed in proportion to the labour of each member.

The first association, which was composed of journeymen tailors, was formed early in 1850, with capital supplied by Maurice and his friends. In all

a dozen associations were formed in various trades. At first the management was left entirely in the hands of the members themselves, but as continual quarrelling resulted the control was soon transferred to The Society for Promoting Working Men's Associations. The first and only report of this Society is worth quoting, for it gives succinctly the whole weakness of "group" Socialism.

"In the first nine months of our life as a society we set up three sets of shoemakers in association. . . . We gave them absolute self-government, merely reserving to ourselves certain rights of interference in cases of dispute or mismanagement, while any capital remained due to us. Each one of these associations had quarrelled with and turned out its original manager within six months; one, the Westend Bootmakers, went to pieces altogether before nine months had gone. The other two struggled on till the beginning of the year, never paying their way, and continually quarrelling. . . .

"Where the associations are successful, the great danger which they, and all who are interested in them, have to guard against is exclusiveness. The associates find their own position greatly improved, and fear to endanger it by taking in new members. They are apt, therefore, to make too stringent rules as to admission, and to require payments from new members proportionate to the capital which the society has gained, and such as few of the most skilful of working men can pay out of their present wages. The effect of this will be that a great many small associations will spring up, instead of a few large ones, unless working men will look forward and take a broader and more Christian view of their work."

The most successful work of the Christian Socialists was accomplished as individuals rather than as a group. They rendered immense service to the co-operative movement by obtaining for it legal status. It was they who obtained the Industrial Provident Societies Act of 1852, and who were mainly responsible for the later improvements to it. Kingsley, as a novelist, was a propagandist of great power. Ludlow, almost until his death in 1911, retained his interest in all forms of co-operation,

and served as the Registrar of Friendly Societies, from 1874 until 1891.

Although the Christian Socialists considered themselves poles asunder from Owen, in reality they differed from him very little. Salvation was to be obtained by co-operative groups of moralised producers, to which end politics were of little value. They were less original than Owen, and if their schemes were more limited in size they were no more practicable. The main difference between them was that Owen emphasised the effect of social organisation in the moralisation of mankind, while they emphasised the need for moralising the individual in order to change social organisation. It was mainly a question of stressing different points, for both were prepared to admit the effect of action and reaction between morality and society. Owen indeed wished to exclude religion, while they would have made it their bedrock. But in reality their very differences were embraced in the fundamental unity of their common demand for "A New Moral World."

CHAPTER VIII.

KARL MARX & THE INTERNATIONAL.

THE disappearance of Chartism marks the end of the Utopian period of the Socialist movement. When Socialism again became important it was imbued with a fundamentally different spirit and outlook. The old mechanistic conception of Society, the belief that Society could, so to speak, be taken to pieces and rearranged according to the arbitrary plan of some particular individual had passed, and in its place was a realisation that social growth was an ordered process, and that any particular stage must develop from a preceding stage. The formulation of detailed schemes gave place to a recognition that the real work of the Socialist movement was to utilise those forces which were making for social change. Socialism rested no longer upon a basis of abstract theoretical rights; it was placed in a historical setting, and was for the first time related to reality.

This immense change was largely the work of Karl Marx. The evolutionary view of society no more originated with Marx than did the theory of biological evolution with Darwin, but each in his own sphere replaced tentative suggestion by a clear-cut theory. After the publication of *The Origin of Species*, it could only be a matter of time before evolution became accepted in every department of thought, but the work of Marx hastened considerably its acceptance in sociology. His theories were adopted rapidly by the German Socialists and through them modified deeply the

orthodox German political economy. But his influence has naturally been greatest upon Socialists, who are more intimately concerned than most with theories of social development, and who have received the direct impress of his mind.

English Socialism has never been Marxian in the sense that German Socialism is. While it has accepted his evolutionary theory, it has, for the most part, rejected his economic teaching. It is, however, essential to deal with this commanding figure, for not only did he spend the major portion of his life in England, but English political economy, both classical and Socialist, influenced him largely. Indeed he may be called the last and greatest of the Ricardian Socialists.

Marx was born in Trèves on May 5th, 1818. His parents were in comfortable circumstances, and were able to give him a University education. Intended for the law, he went to Bonn and later to Berlin to study jurisprudence. In Berlin, however, he seems to have devoted more attention to philosophy than law, and in consequence he became a strong Hegelian. In 1841 he took his degree as Doctor of Philosophy, and on leaving the University commenced his career as a journalist. He joined the staff of the newly-established Radical journal, the *Rheinische Zeitung*, of which he soon became editor. It was here he came into touch with French Utopian Socialism. The new doctrines immediately aroused his curiosity, and in order to obtain leisure for their study he temporarily abandoned journalism and resigned his editorial chair.

In the same year, 1843, Marx married Jenny, Baronin von Westphalen, a woman of great beauty and gentleness. She accompanied him in his vari-

ous exiles, and through misery and privation remained his devoted helpmate.

As a result of his studies Marx became a Socialist before the end of the year. In the October he removed to Paris to become editor of the Franco-German Yearbooks. Here he met Heine, the poet, Proudhon and many other Socialists. He also met Friedrich Engels, with whom his name will ever be linked, for the meeting was the commencement of a lifelong friendship and literary-partnership. It was Engels who brought to completion Marx's *Kapital*, for when the latter died the last volumes were incomplete, the third being little more than a mass of incoherent notes.

Marx's stay in Paris was cut short by the action of the French Government. In 1845 he was expelled and moved to Brussels; here he remained until the outbreak of the revolution in France. Expelled from Belgium, he went again to Paris, and thence after a short stay he returned to Germany. It was not long, however, before he was exiled from Germany and returned to Paris. The French Government, however, was as unwilling as the German Government to harbour such a fire-brand, and Marx was again compelled to leave. This time he came to London, where he remained, frequently in great poverty, until his death in 1883. He was buried in Highgate Cemetery.

When Marx became a Socialist in 1843 his saturation in Hegelian philosophy led him to envisage the social problem as a process of development rather than a question of abstract justice and morality. He set himself to discover the motive force of social change, and found it in the evolution of the methods of production.

"I was led," he says,

"by my studies to the conclusion that legal relations as well as forms of state could neither be understood by themselves, nor explained by the so-called general progress of the human mind, but that they are rooted in the material conditions of life. . . . In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society—the real foundation on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political and spiritual processes of life. . . . At a certain stage of their development the material forces of production in society come in conflict with the existing relations of production, or, what is but a legal expression for the same thing, with the property relations within which they had been at work before. From forms of development of the forces of production, these relations turn into their fetters. Then comes the period of social revolution. With the change of the economic foundation, the entire, immense superstructure is more or less rapidly transformed. . . . No social order ever disappears before all the productive forces, for which there is room in it, have been developed; and new higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society."—(Preface to *Critique of Political Economy*.)

This was the "materialistic conception of history," Marx's greatest contribution to Socialist thought. By it he killed Utopianism and placed the Socialist movement on the bedrock of historical reality. He has nowhere written a definite treatise upon the subject, but it is the fundamental basis of all his work. It is the basis of the famous *Manifesto of the Communist Party*, which was drafted in 1847.

In the decade prior to the Revolution of 1848, the Socialist movement in England had its counterpart upon the Continent. The teachings of Blanqui and Proudhon in France, and Weitling in Germany, had led to the formation of small scattered groups of Socialists, as Utopian as the Owenites, but insurrectionary in spirit. The German

Socialists, particularly those living in exile or abroad, were loosely federated in an organisation called "The League of the Just," later the "Communist League." At a conference held in London in 1847 Marx and Engels were commissioned to draft a new programme. The result was the Communist Manifesto.

This Manifesto is the first proclamation of modern Socialism. It commences with a brilliant analysis of historical development. The part played by Capitalism is explained and the forces at work within the Capitalist system making for change are laid bare.

There is much in the Manifesto which is of ephemeral interest, such as criticism of other forms of Socialist thought and replies to attacks upon Communism. There are also assumptions which have been proved false, such as the early catastrophic collapse of Capitalism and the progressive intensity of the misery of the workers. But these are details which in no way affect the importance of the Manifesto.

The cleavage with previous Socialist thought is immediately manifest. Socialism and Capitalism are no longer conceived as antitheses of good and evil, of justice and injustice. Both are shown to be stages in social evolution related as closely to each other as parent to child. As Capitalism developed in the womb of Feudalism, Socialism is now developing in the womb of Capitalism.

To-day, such a thesis may seem rather obvious, for we are all evolutionists, thanks to Marx and Darwin, but in 1847 it was as revolutionary in social thought as twelve years later the *Origin of Species* was in biology. Marx remodelled Socialism, and to-day the only English Socialists who retain the

mentality of the days before the Manifesto are, strangely enough, that small handful who believe themselves to be the extreme left wing of the movement, and who claim to be the true Marxians. They remain Utopian, revolutionary and unpractical.

The transition of Socialist thought from the Utopian to the modern historical outlook was not accomplished immediately. The Communist Manifesto, the first statement of the New Socialism, appeared in the last year of the old epoch, for 1848, with its widespread revolutions, marks clearly and distinctly the end of a period. It was succeeded by some fourteen years of comparative calm. During this period the influence of Marx upon Continental Socialist thought grew steadily; but it was not until the formation of the International Working Men's Association, generally known as the First International, and the long contest with Bakounin for mastery, that Utopianism may be said to have been routed.

The International Working Men's Association was formed in 1864, largely under the inspiration of Marx.

THE INTERNATIONAL.

With the Socialist movement in its infancy, and with the English working class, which alone could claim any pretensions to industrial organisation, now definitely orthodox in its political economy, it was obvious that the First International could not become a power. But weak though it remained it played an important part in the development of the Socialist movement, for in the battles which took place within its ranks Socialist thought was moulded and clarified.

The inaugural meeting was convened by George Odger and Randall Cremer, two of the foremost English Trades Unionists of the day, Professor Beesley, the Positivist, was in the chair. In view of the political conditions abroad it was decided that the headquarters should be in London, and that the President, Treasurer and Secretary should be Englishmen. But despite these intimate connections, the International had less influence in England than in any European country. Indeed, it is not too much to say that it left the contemporary English labour movement untouched.

It became a newspaper bogey for a time and was represented as a huge conspiratory society at the root of every strike and disturbance. But in reality there was no echo of its Socialist teachings in England. Even the actual members, such as Odger, Cremer, Applegarth and Broadhurst, remained strictly orthodox in their political economy. British labour had definitely abandoned Socialism for a policy mainly restricted to questions of wages and hours.

In the great struggle between the old insurrectionary and Utopian school and the new historical school the protagonists were Michael Bakounin and Marx, and although Marx ultimately outmanœuvred his opponent, it was a Pyrrhic victory, for in order to prevent the International again falling into the hands of Bakounin, Marx was compelled to destroy it. But it had served its purpose. In the struggle Socialist thought had purged itself of alien admixture.

The Bakouninists stood for spasmodic insurrection, organised by a few devoted enthusiasts, destruction of the State and the repudiation of political methods. Marx, on the other hand, re-

cognised that, far from being destroyed, the State must be used for economic ends. Instead of spasmodic insurrection, Marx visualised a steadily-increasing working-class movement, which should eventually obtain political power and by that means "wrest by degrees all capital from the bourgeoisie and centralise instruments of production in the hands of the State." Revolution might be necessary to obtain political supremacy, but economic reconstruction must take place "by degrees as a result of political control." Marx's attitude to the insurrectionaries may be summed up in the words he addressed to the Communist League when he resigned in 1850. "Just as the democrats make a fetish of the words 'the people,' so you make a fetish of the word 'proletariat.' Like them you substitute revolutionary phrases for revolutionary evolution." What he meant by revolutionary evolution may be seen from the programme he drew up for the Geneva Conference of the International in 1866. It contains proposals for raising the age limit of child workers, the substitution of direct taxation for indirect, and it actually suggests the ten-hours day (in amendment of the proposal for an eight-hours day as being more immediately practicable).

Marx's teaching upon the subject of revolution is by no means consistent. He was a scathing critic of other revolutionaries of his time, and more than any other man killed the insurrectionary spirit. In the Communist Manifesto he puts forward a programme far short of revolutionary, while that which he drafted for the International can only be described as reformist. Such a policy, however, is difficult to harmonise with his system, in which the development of Capitalism is accompanied by pro-

gressively-increasing misery, poverty and privation, until the final culmination in revolution. This process is clearly outlined in the Communist Manifesto, and in his early days he was opposed to the regulation of hours as likely to interfere with the development of Capitalism to its appointed end. But in 1867 he welcomed it as a victory of principle and regarded the improvement of working-class conditions as paving the way for Socialism. Six years later, when the first volume of *Capital* was published, we find the cataclysmic theory of the Communist Manifesto worked out in detail.

The Communist Manifesto is not even consistent within itself. In Part II. we find that the proletarians are to "use *Political* power to wrest by *degrees* all capital from the bourgeoisie," while Part IV. concludes by stating that the aim of the Communists can only be attained by the *forcible overthrow* of existing social conditions; two entirely incompatible methods of transition.

It is easier to criticise the unpracticality of others than to realise it in oneself. To the preachers of armed rebellion Marx opposed revolutionary evolution, factory legislation, direct taxation, the legal shortening of hours, etc. But despite this, the fine-spun logic of his system led directly to revolution and cataclysm. Marx the practical politician differed very considerably from Marx the theorist. Admittedly his revolution was not to be the handiwork of a few ardent enthusiasts, but of a world-wide class-conscious proletarian movement. It would occur only in the fulness of time, for "no social order ever disappears until all the productive forces for which there is room in it have been developed." This is considerably more reasonable than the hectic propaganda of Bakounin, but its

reasonableness does not free him from inconsistency.

But the inconsistencies of Marx and the fallacies of his system are of little moment in comparison with his influence upon the Socialist movement. He completely shattered the belief in the possibilities of Utopias and in the "improvisation of revolutions."

It was during these years of struggle that the great Continental Socialist parties took their form. As a result of the bitter controversies within the International opinions cleared and separated, much as different crystals separate out of a mixed solution; and the Socialist movement which emerged more or less homogeneous in thought was thus saved much internal struggle and disruption. The main differences of opinion (until the development of Communism after the Russian Revolution) have been as to whether under Capitalism legislative improvements were of any real value. In this matter there has been much inconsistency, particularly on the Continent. Theoretically palliatives have been regarded as useless. Actually programmes have been drafted and popularised, reforms have been fought for and won.

CHAPTER IX.

REVIVAL.

THE SOCIAL DEMOCRATIC FEDERATION.

DURING the years in which Socialist theory was being fashioned by the struggles within the International, the English working-class movement continued quietly in its policy of Trade Union organisation with limited objectives. Even the attempts at independent political action were frustrated by the adherence of the leaders to Liberalism and orthodoxy. Nevertheless the re-awakening of the Socialist movement, which was to come in the eighties, was precluded by grave questionings of the theory of *laissez faire*. The popularity of Ruskin and still more of Henry George shows the direction of the drift of public opinion.

In *Progress and Poverty*, published in 1874, George flung down a direct challenge to the old dogma that poverty must eternally be the lot of the workers. Malthus, the Wages Fund and the rest, so useful in demonstrating the futility of Labour Ideals, were demolished in a racy popular style, and the Single Tax, delightful in its simplicity, was propounded as the universal panacea. The book was immensely popular and decidedly opportune. Its very limitations were advantages. In attributing social evils to land monopoly alone it was naturally acceptable to the Liberals and Radicals. For them it was easy to accept both the diagnosis of the disease and the remedy. That both were hopelessly false is a detail. Implicit in

them were two factors of vital importance; firstly, an admission that poverty could be remedied by legislation; and, secondly, a challenge to the sanctity of private property. *Progress and Poverty* made a breach in the ramparts of orthodoxy through which Socialism was soon to march to an attack upon the citadel itself.

THE DEMOCRATIC FEDERATION.

The leading spirit of the Socialist revival of the early eighties was Mr. H. M. Hyndman, a keen-minded, well-to-do, middle-class man. He had read the French version of *Das Kapital* in 1880, and soon after became personally acquainted with Karl Marx. He conceived the idea of reviving the Chartist movement, and discussed the matter with Marx, who was interested, but doubted the possibility of success. Nevertheless, Hyndman energetically set to work to see what could be done.

In his autobiography, *The Record of an Adventurous Life* (p. 246), Mr. Hyndman describes the preliminary steps. During the opening months of 1881 several private meetings were called on his initiative with a rather vague object of establishing a Radical and Democratic Party, Hyndman's ulterior object of a Socialist Party remaining unexpressed.

Some propaganda was carried on among the Radical Working Men's Clubs and the Irish Committees (it was a time of Home Rule excitement) and by May it was felt that a sufficient number of these had become interested to warrant the calling of a public Conference.

The Conference met in June with Hyndman in the chair, and the outcome was the Democratic

Federation (It was not until 1884 that the name Social Democratic Federation was adopted).

A committee was formed and a programme adopted. The programme on the whole was a tame affair. It contained nine heads. The first eight of these were mere political reforms; the ninth was Land Nationalisation.

The active members of the Federation, however, were Socialists and the propaganda was distinctively Socialist in character. A number of able men attached themselves to the Federation, including William Morris, who joined in 1883.

In January, 1884, thanks to the generosity of Edward Carpenter, who supplied the funds, the weekly journal *Justice* was commenced. Hyndman was Editor, and among its contributors were Belfort Bax, H. H. Champion and William Morris. Morris contributed not only articles, but also his *Chants for Socialists*.

But despite the talent and enthusiasm of the propagandists the Federation made slow progress. Recruits came in slowly and the Radical Clubs remained aloof. The Federation was largely an army of leaders without followers. At first every variation of advanced thought was presented. The mere Radicals, however, rapidly fell away. Those who remained were Socialists of various shades, Parliamentary, anti-Parliamentary, revolutionary, evolutionary, together with a sprinkling of anarchists.

Time, however, if it did not bring members, brought a greater clarity and definition of opinion, with the result, inevitable in so heterogeneous a body, of schism and secession.

Towards the end of 1884 an election seemed imminent, and the Parliamentary Socialists, led by

Hyndman and Champion, decided to run candidates. Morris opposed this policy strongly, not so much from any fundamental disbelief in the value of Parliamentary action, as on the grounds that the time was wholly inopportune. The real object of the Federation, he concluded, should be the formation of Socialist public opinion. It was useless to run candidates, when not one man in a hundred had the slightest conception of the principles of Socialism. In those days even the Parliamentary Socialists conceived the Social Revolution as an event rather than a process, and high hopes were entertained as to its imminence. Socialist theory seemed so attractive to its supporters that it was inconceivable that the workers should remain aloof. It seemed necessary only to spread the gospel and wait for the cataclysm.

After a conference, embittered by personal quarrels, Morris withdrew from the Federation, and with him went many of its ablest members, including Walter Crane, Bax, Eleanor Marx (daughter of Karl Marx), Aveling, Scheu and Bruce Glasier, who at that time was young and unknown. They founded the Socialist League and commenced the publication of the *Commonweal*, with Morris as Editor.

The League existed for about eight years. It gradually fell into the hands of the extreme anarchists. In 1889 Morris was ousted from the editorship of the *Commonweal*, which became a purely anarchist organ. The provincial branches, mainly Socialist in opinion, dropped their affiliation, and the League, now composed solely of anarchists, dragged on for a year or two and then came ingloriously to an end.

The effect of the League upon public opinion was small, but the effect of Morris's personality upon the Socialist members was great. He imbued his followers with his own spirit and idealism. Marxist and class war theories made no appeal to him. For him Socialism was fellowship; fellowship in life, fellowship in work. It was the keynote to that most delightful of all Utopias, *News from Nowhere*; it was the distinctive impress which he left upon his followers and which through them works in the Socialist movement of to-day.

The secessions which led to the formation of the Socialist League, left the Social Democratic Federation, to give it the name it had recently adopted, weakened in numbers, but a much more homogeneous body than before. It was now definitely Marxist and Parliamentary. In the Election in November, 1885, it ran three candidates. John Burns polled 598, but the other two polled only 32 and 72. The result was disastrous.

Hitherto the fear of Socialism had invested the Federation with an entirely fictitious importance in the public mind, but the smallness of the votes revealed its political impotence and shattered the prestige which exaggerated notions of its membership and influence had created.

The revelation of the real strength (or rather weakness) of Socialism also caused the Federation to lose many of its supporters, and it was not until 1889 that it became really established. In 1887 it had only thirty branches, the majority of which were in London. In 1894 the membership was about 5,000, and though it gradually increased it is doubtful whether it ever reached 10,000.

The remaining history of the S.D.F. may shortly be told. When the Labour Representation Com-

mittee (see p. 123) was formed in 1900 it affiliated, but soon seceded. In 1903 certain Scotch branches left to form the Socialist Labour Party, and two years later a secession of London branches led to the foundation of the Socialist Party of Great Britain, both of which were much more doctrinaire and impossible than the parent body. In 1908 the Party changed its name to the Social Democratic Party, and in 1911 it amalgamated with certain dissident branches of the I.L.P. to form the British Socialist Party. With the coming of the war the Party split. The majority remained pacifist, but Hyndman, Bax, Irving and others withdrew to form the National Socialist Party. After the Bolshevik Revolution, the majority of B.S.P. branches joined the Third International and now forms the bulk of the Communist Party.

The influence of the S.D.F., under its various names, upon English politics, has been almost negligible. In its teaching and spirit alike it has been entirely alien to the English temperament.

Above all things the English political spirit is empirical. Whether for strength or weakness, it has never taken abstract theory for a guide. Even the great god of the early nineteenth century, *laissez faire*, seems rather to have been an excuse than a reason, and its high priests themselves were constantly heretical upon such matters as factory legislation, sanitation and the like. English political development has consisted of the application of immediate remedies for ascertained evils, quite irrespective of theoretical considerations and implications. In such an atmosphere the attempt of the S.D.F. to build up a political party by the rigorous insistence upon abstract dogmas was bound to fail. It preached Marxism as if it were an inspired

revelation, and preached it in a language strange to the ear. Psychologically it was always akin to those small evangelical sects, each of which alone monopolises the truth, and to such words as class war, surplus value, bourgeois and proletariat it attached all the virtues supposed to lie in that blessed word Mesopotamia.

Although Parliamentary in policy it has always thought in terms of the Social Revolution, and this inconsistency is marked in its attitude to "palliatives" or immediate reform. It has embodied them in its programme, but has never quite succeeded in deciding whether they are merely useless or definitely harmful.

The conception of social change as a process of organic modification and growth it never grasped.

CHAPTER X.

THE FABIAN SOCIETY

OF much greater importance to English Socialism than the formation of the Social Democratic Federation was the birth of the Fabian Society on January 4th, 1884. With this event the characteristic present-day English movement may be said to begin. The Fabian Society arose out of a small Ethical group named "The Fellowship of the New Life," founded by Thomas Davidson. Although its membership has never been more than 3,000, its influence, both upon public opinion and English Socialism, has been profound.

It would be too much to say that the peculiar character of modern English Socialism is due to the Fabian Society, for it arises out of the national temperament and political tradition and development. But it was in the Fabian Society that it were first manifested.

The Social Democratic Federation was Marxist and revolutionary; it accepted Marx as the final expositor of wisdom, and never freed itself from his overpowering influence. It believed fervently in the Social Revolution, but not at all in Social Evolution.

The Fabian Society, on the other hand, disputed the very basis of Marxian Economics, the theory of Value; it had no belief in revolution, save in its very early days, and it desired to use existing political machinery to achieve not only Socialism, but immediate social improvements. It believed that

the Social Revolution would be nothing more than the sum total of those improvements won over an extended period. Instead of the class war, which was the shibboleth of the Social Democratic Federation, its method was "permeation."

The character of Fabian Policy is probably due to the presence of Government officials among its prominent members. Webb, Podmore, Olivier, were all in the Civil Service and acquainted with the governing machine from the inside. Realising its potentialities a revolution seemed to them unnecessary, and a desire to make immediate use of the machine was but natural. At first, however, the policy and outlook of the Fabians was but little different from that of other Socialists of the eighties.

On this matter Bernard Shaw says :—

"Our differences (from other Socialists) were latent and instinctive; we denounced the capitalists as thieves . . . and among ourselves talked revolution, anarchism, labour notes versus pass books, and all the rest of it, on the tacit assumption that the object of our campaign, with its watchwords, '*Educate, Agitate, Organise,*' was to bring about a tremendous smash-up of existing society, to be succeeded by complete Socialism. And this meant that we had no true practical understanding of existing society or Socialism."—(Fabian Tract 41, *The Early History of the Fabian Society.*)

It was not long, however, before the Society shook itself free from its early revolutionary leanings and settled down to a policy of education and social research.

While Marxian Socialism, which is still dominant upon the Continent, and which in 1884 was represented in England by the Social Democratic Federation, based its theories upon the dogma of the Class War as the social dynamic, the Fabians emphasised the "Community" rather than class. They rejected Marxian economics and regarded the

community rather than labour as the source of value. The Fabian analysis of all unearned income as differential rent is interesting in this connection. Rent is, of course, a social product, and its retention by an individual is indefensible. The Fabians suggested that the Ricardian theory of rent applied not only to rent but to industry in general. When the differential advantages of superior factory sites, more efficient machinery, and even of individual ability had been allowed for, there would be little left of private profit and unearned income. The gravamen of the Fabian criticism of Capitalism was not that the worker was robbed of his surplus value, but that the community was robbed of socially-created differential wealth.

This new line of Socialist criticism naturally influenced Fabian policy. The community rather than the class being the focus, the Society's aim was the capture of industry for the community, rather than the capture of the community by the revolutionary workers, and the education of the community as a whole rather than the energising of one section of it.

As has been mentioned, many of the leading Fabians were intimately acquainted with the machinery of government. They were convinced that it was more profitable to utilise the existing machine, both national and local, rather than aim at its destruction in order to erect new in its place. Thus arose the campaign for Municipal Socialism. The titles of the Fabian tracts issued in 1890 and 1891 give an idea of the importance the Fabian Society attached to the utilisation of the existing local political machinery. Out of twenty-eight tracts issued, fifteen deal with Municipal Socialism.

“What the Fabian Society did was to point out that Socialism did not necessarily mean the control of all industry by a central state; that to introduce Socialism did not necessarily require a revolution, because much of it could be brought about piecemeal by the votes of the local electors.” (Pease, *History of the Fabian Society*, p. 82).

The Fabian Society, however, did not neglect theoretical Socialism. The famous Fabian Essays were issued in 1889, and proved an immediate success. The output of literature by the Society was enormous. In 1890 it printed more than one-third of a million tracts and pamphlets. Literary activities, however, were supplemented by the usual Socialist method of propaganda-public meetings. At first these were mostly confined to London, but in 1890, series of lectures were arranged throughout Lancashire and Yorkshire in Liberal Clubs, Working Men's Clubs, Co-operative Societies, or wherever Fabian lecturers could obtain a hearing. As a result several local Fabian Societies were formed, but these, with one or two exceptions, were merged in the Independent Labour Party, when it was formed three years later.

The Fabian Society, unlike other Socialist parties, has never attempted to extend the membership of its organisation. Its membership, almost entirely concentrated in London, reached a maximum of 3,300 in 1913. In 1891, the London Society, together with the local societies, including one in Bombay, totalled only 800 members. Its aim has been the moulding of public opinion rather than the formation of a political party. It realised, however, the need for a working-class political party, and assisted in the formation of the Labour Party, to which it is still affiliated.

As a method the Society adopted the policy of "permeation," particularly of the Liberal Party. While the Social Democratic Federation, and later the Independent Labour Party, laid stress upon independence and expected their members to sever all other political connections, the Fabian Society at one time rather encouraged its members to engage in activities within the orthodox political parties, in order to leaven them. There have generally been a few Fabians on the Liberal benches of the House of Commons.

The famous Newcastle Programme which the Liberals adopted in 1891 was largely the result of Fabian "permeation." Bernard Shaw gives a characteristic account of its birth, though he omits any reference to the very considerable agitation which preceded it:—

"The exact facts of the launching of the Newcastle Programme are these. Webb gave me the programme in his own handwriting as a string of resolutions. I, being then a permeative Fabian on the Executive of the South St. Pancras Liberal and Radical Association . . . took them down to a meeting in Percy Hall, Percy Street, Tottenham Court Road, where the late Mr. Beale, then Liberal candidate and subscription milch-cow of the constituency (without the ghost of a chance), was to address as many of the ten (members) as might turn up, under the impression that he was addressing a public meeting. There were certainly not twenty present, perhaps not ten. I asked him to move the resolutions. He said they looked complicated, and that if I would move them he would second them. I moved them, turning over Webb's pages by batches and not reading most of them. Mr. Beale seconded. Passed unanimously. That night they went down to the *Star* with the report of an admirable speech, which Mr. Beale was supposed to have delivered. Next day he found the National Liberal Club in an uproar at his revolutionary break-away. But he played up; buttoned his coat determinedly, said we live in progressive times and must move with them; and carried it off."—(Pease, p. 112.)

The history of the Fabian Society is really the history of its publications. The enormous circulation of the Fabian Tracts has profoundly influ-

enced English politics. To the outbreak of the war in 1914 exactly one hundred and seventy-five different pamphlets had been published, dealing with every phase of Socialism, practical and theoretical. Their total circulation runs into millions. Besides these penny and twopenny tracts various larger books have been issued, the most important of which are the Fabian Essays, to which reference has already been made, and the Minority Report of the Poor Law Commission, which was published in 1909. This was the joint work of Mr. and Mrs. Webb. The Fabian Essays, particularly those of Webb and Shaw, are masterly expositions of theoretical Socialism. The Minority Report was a still more masterly survey of certain social problems and proposals for practical remedies. In connection with the publication of the Minority Report, Mr. E. R. Pease tells an amusing tale:—

“The Fabian Society had decided upon a cheap edition. When it was published the Treasury Solicitor was rash enough to threaten us with an injunction on the ground of infringement of the Crown copyright, and to demand an instant withdrawal of our edition. But Government Departments which try conclusions with the Fabian Society generally find the Society better informed than themselves, and we were able triumphantly to refer the Treasury Solicitor to a published declaration of his own employers, the Lords Commissioners of the Treasury, a score of years before, in which they expressly disclaimed their privilege of copyright monopoly so far as ordinary blue books were concerned, and actually encouraged the reprinting of them for the public advantage. And, with characteristic impudence, we intimated also that if the Government wished to try the issue it might find that the legal copyright was not in the Crown at all, as the actual writer of the report (which was in Mr. Sidney Webb's handwriting), to whom alone the law gives copyright, had never ceded his copyright and was not a member of the Royal Commission at all.”—(Pease, 214.)

With the birth of the Independent Labour Party in 1893 the influence of the Fabian Society on public opinion, although in no way lessened, be-

came more indirect. The Independent Labour Party rapidly became the foremost propagandist of Socialism, and while it rejected the peculiar Fabian tactics it was largely influenced by Fabian social philosophy. Its own contribution to the Socialist movement has been the fashioning of political tactics rather than social philosophy. The union of the two influences has been fruitful, for it made practicable the formation of the Labour Party, which is already the second largest party in the State.

CHAPTER XI.

THE INDEPENDENT LABOUR PARTY AND THE LABOUR PARTY.

THE closing years of the eighties were years of ferment and expansion for the Labour and Socialist movement. The New Unionism, led by John Burns, Tom Mann and Ben Tillett, was vitalising the old organisations of skilled workers and inspiring the formation of new ones among the unskilled and unorganised. The propaganda of the Fabian Society and the Social Democratic Federation was beginning to affect the more active minds among the younger trade unionists and to awaken dissatisfaction with the orthodox liberalism which for forty years had been the political creed of Labour. Politically and industrially the horizon was widening, old landmarks were crumbling, and new goals and fresh methods were being envisaged. The Labour movement was on the threshold of the agitation which a decade later culminated in the birth of the modern Labour Party.

Hitherto the part played by trade unions in politics had been small. They had asked little more than that the Liberal Party should allow a few working men to run as liberal candidates. Year by year the Trade Union Congress had passed vague resolutions in favour of increased labour representation, but had never attempted to give them either form or force. It had been content to accept the crumbs which fell from the Liberal table.

The growing influence of Socialist propaganda gradually awakened a dissatisfaction with this subservience, and the demand for independent political action made itself heard. To this the older leaders, who had been cradled in liberalism, were bitterly hostile, but the idea made steady progress. In 1890 Joseph Burgess became Editor of the *Workman's Times*. Burgess was at that time a member of the Social Democratic Federation, and under his editorship the paper became the organ of the left wing of the Labour movement. He commenced a vigorous agitation for Independent Labour politics. A few months later Robert Blatchford founded the *Clarion*, and these two papers preached the doctrine of Independence brilliantly and incessantly.

The agitation had barely commenced when an ideal leader for the new cause appeared in the person of J. Keir Hardie. Hardie was born in 1856. He started work as a messenger boy at the age of seven, and when three years older became employed in a mine. While quite a young man his courage and ability brought him to the fore in Scottish mining disputes. In 1879 he was appointed organiser for the Ayrshire Miners' Union, and in 1886 became secretary of the Scottish Miners' Federation. In 1888 a bye-election occurred in Mid-Lanark, and Hardie's name was put forward to the local Liberal Association as a Liberal-Labour candidate. The Association, however, chose a young Welsh lawyer, and it was decided to run Hardie independently as a Labour candidate. The bitterness of the Liberal attack during the election convinced him of the necessity of a Labour Party independent of Liberalism and a few weeks later he took the initiative in forming the Scottish Parliamentary Labour Party. At the time of the Mid-

Lanark bye-election Hardie was a Liberal in politics, although, as might be expected, he was on the extreme left, particularly in industrial matters. By the end of 1888, however, he had definitely become a socialist. In the general election of 1892 he stood as Labour candidate for West Ham, and was successful.

Hardie was an ideal leader for the new cause. He was a most effective speaker, clear, concise, and without rhetoric. His powerful personality gave an immediate impression of sincerity. He was tenacious and incorruptible. Indeed, he was almost quixotic in his refusal of financial help lest his independence should be hampered. Until his death, in 1915, Hardie dominated the English socialist movement, and awakened an affection it would be difficult to parallel.

At the Trade Union Congress of 1891, when the usual pious resolution in favour of labour representation was submitted, Hardie moved two amendments, one demanding that a fund be raised by the Trade Unions and put at the disposal of the Parliamentary Committee for election purposes, the other voicing the demand for independence. Both were defeated, the former receiving only eleven votes. The following year brought somewhat greater success, and Hardie's amendment, instructing the Parliamentary Committee to prepare a scheme for raising a political fund, was carried. This scheme, which proposed an optional levy of 5/- per hundred members, was issued in March, 1893, but nothing resulted.

The object of Hardie's proposals to the Trade Union Congress was a political party with trade unions as units. But seven years of vigorous agitation was still necessary before this could be accom-

plished. Meanwhile attempts were being made to form a party upon the entirely different basis of individual membership. In all parts of the country small local groups were springing up, generally known as Independent Labour Parties or Labour Leagues. Their object was to run candidates in local and parliamentary elections. Throughout 1892 the formation of a national party was canvassed unceasingly, and finally in the autumn a small committee took in hand arrangements for calling a conference, which was eventually held on January 15th and 16th, 1893, in Bradford. At the conference there were ninety-four delegates from Labour Leagues and Independent Labour Parties, twelve from the Fabian Society, five from the S.D.F. and nearly a dozen from trade union branches, trades councils, socialist societies and similar organisations. The S.D.F. and Fabian Society delegates made it clear that they came only with a watching brief.

Among the delegates present were Bernard Shaw, Ben Tillett, Ben Turner and Mrs. Bruce Glasier, then Miss Conway. Keir Hardie was in the chair.

The outcome of the conference was the federation of the majority of the organisations represented into a national organisation under the name of the Independent Labour Party, or as it is generally called, the I.L.P.

A careful reading of the report of the Conference shows clearly that its aim was very different from what has actually resulted. The name chosen for the new party gives the key to the intentions of its founders. An amendment suggesting the name of Socialist Labour Party was defeated on the grounds that it might tend to exclude non-socialists. The I.L.P. was formed to become a great working class

party, such as the Labour Party is now. Instead it has remained a comparatively small but extremely active body of convinced Socialists, which for thirty years has been largely responsible for the propaganda of socialism in Great Britain. The reasons for this miscarriage of intention are not difficult to discover. The first undoubtedly is that the founders of the I.L.P. were at the time attempting the impossible. There was no sufficiently large body of conscious Labour opinion to allow any large political organisation to be built upon individual membership. A party organised on this basis must necessarily remain much smaller than a party built up of trade unions where members with passive consent are affiliated in blocks of hundreds of thousands at a time.

Throughout the agitation for independent labour politics the Socialists had provided the initiative and inspiration. Practically all the delegates to the Bradford Conference were socialists, as were the leading spirits in the local Labour Parties and Labour Leagues, which now became branches of the new party. There was no great influx of new members, and it was not long before the I.L.P. became a propagandist party preaching socialism and accepting only avowed socialists as members.*

* It is true that the I.L.P. adopted Socialism at its first conference as its object, but so did the Trade Union Congress in 1895, and so also has the present Labour Party. The constitutional declaration of a party's ultimate aims is not so important in the formation of its character as the primary and immediate interests of its members. Had the I.L.P. attracted great masses of members, such as are affiliated to the Trade Union Congress or the Labour Party, socialism would in practice have become a pious expression of opinion of little immediate consequence in comparison with immediate reforms and practicable legislation. Remaining small it concentrated upon the preaching of socialism.

Thus the I.L.P. was not formed as a result of any dissatisfaction with either of the other socialist parties. It became a socialist party by force of circumstances, which moulded it to meet the needs of British socialism in a way which neither the Fabian Society nor the S.D.F. could ever do.

The difference between the I.L.P. and the S.D.F. was primarily psychological. In the early days the parties were extremely small, and received the stamp of the personalities which dominated them. The calvinistic dogmatism of the leaders of the S.D.F. was entirely foreign to the characters of Hardie, Glasier, Snowden and MacDonald, and this differentiation, incomplete at first, grew rapidly more pronounced as the I.L.P. found its feet. The bitter sectarianism, which kept the S.D.F. small and impotent, and which repelled all save the peculiar type of mind to which it appealed, gave the I.L.P. a free field, and its wider and more human appeal resulted in a steady growth of membership. The S.D.F. was at first somewhat hostile and contemptuous, but later sought to bring about an amalgamation between the two parties.

The form of organisation adopted by the I.L.P. consists of groups of supporters in all parts of the country. Some of these groups, or branches as they are called, have as many as two thousand members; others have less than a dozen. When the party was first formed there were about a hundred of these branches. *To-day* there are well over one thousand. The governing body of the party is the Annual Conference. The work of the branches consists in holding regular propaganda meetings, in the distribution of literature and the fighting of local and parliamentary elections.

The I.L.P. has never accepted the economic system of Marx. It would be incorrect to say that it has rejected Marxism. It has rather ignored it. Marx's *Kapital* is quite unreadable to any save the serious and determined student, and as the literature and periodicals of the party have been mainly written by such non-Marxian socialists as MacDonald, Snowden, Glasier and Hardie, Marx's system is practically unknown in the English socialist movement. The economic teaching of the I.L.P. is largely that of the Fabian Society, and the "class consciousness" of Labour is deeply modified by what MacDonald has called "community consciousness." Its socialism is humanistic rather than economic, and its contribution to the socialist movement lies in method rather than in doctrine.

THE LABOUR PARTY.

The original aim of the founders of the I.L.P. was, as we have seen, a working class political party, and although circumstances prevented the I.L.P. itself playing the destined part and turned it into a small compact propagandist organisation, the original aim was not forgotten. The need of a Labour Party independent of liberalism was the burden of much of the early propaganda. Many members of the I.L.P. were active trade unionists, and the intellectual appeal of its teaching was strongest to the type of man who developed into a trade union secretary and organiser. Thus the influence of the I.L.P. upon the Trade Union movement was far greater than its meagre membership warranted.

Year by year at the Trade Union Congress the resolutions in favour of a Labour Party and a parliamentary fund were moved and defeated. But at last the work of the I.L.P. bore fruit and in 1899

the following resolution was passed:—"That this Congress. . . hereby instructs the Parliamentary Committee to invite the co-operation of all Co-operative, Socialist, Trade Union and other working class organisations to jointly co-operate on lines mutually agreed upon in convening a special Congress of representatives from such of the above-named organisations as may be willing to take part to devise ways and means for the securing of an increased number of Labour members in the next Parliament." As a result delegates from the Congress, the I.L.P., the S.D.F., and the Fabian Society were appointed, and the work of drafting a constitution for the new party was put in the hands of J. Ramsay MacDonald.

Ramsay MacDonald was born at Lossiemouth on the north-east coast of Scotland in the year 1866. On leaving school he went to work in the fields, but his schoolmaster, impressed with his unusual abilities, brought him back as a pupil teacher. He was an omnivorous reader, but particularly interested in science, an interest which markedly affected his later writings on Socialism. When a youth he went to London, where his first situation was as an invoice clerk at 12/6 per week. Despite the long hours at the desk he spent every free minute in study. In 1888 he became private secretary to Thos. Lough, afterwards Liberal M.P. for Islington. Four years later he threw up this position for journalism. When Hardie was fighting the Mid-Lanark bye-election MacDonald, who was then also a Liberal, wrote to him as secretary of the Scottish Home Rule Association to wish him success. This was the first contact of the two men who were to become, the one the pioneer and prophet of the Labour Party, the other its organising genius.

In 1894, MacDonald lost faith in Liberalism and joined the I.L.P. He soon became one of the acknowledged leaders of the party, and one of the most important figures in the International Socialist Movement. In 1895 he stood as Labour candidate for Southampton, and again in 1900 at Leicester. In 1906 he was elected for the latter constituency. In 1910 he became leader of the Labour Party.

MacDonald is the unchallenged leader of the British Labour movement. He is one of its greatest debaters, and few if any can equal his ability for continuous work. Although an abstract political thinker of no mean order, he is, in his Parliamentary work intensely practical. His readiness to take advantage of limited possibilities has made him the *bête noire* of the Communists and doctrinaires.

He has written a number of books, the most important of which are "Socialism and Society," a study of social evolution from the biological point of view, and "Socialism and Government," an examination of political forms and methods.

It was eminently fitting that the work of drafting the constitution of what was to become the Labour Party should be placed in the hands of the man who became the first Labour Prime Minister.

When MacDonald had completed his draft of the constitution the delegates of the various societies met to consider it in the Memorial Hall, London, on February 29th, 1900. The outcome of the conference was the Labour Party, or as it was at first called the 'Labour Representation Committee. Affiliation to the L.R.C. was open to all trade unions, socialist organisations and co-operative societies, on payment of affiliation fees of 10/- per 1,000 members. The co-operative movement stood aloof, but the I.L.P., S.D.F. and Fabian Society

and a number of trade unions joined immediately. The S.D.F., however, soon retired from membership. The total membership of the L.R.C. at the time of the general election of 1900 was 312,000, and its first year's income was the ridiculously small sum of £243 13s. 4d. But the number of affiliated unions grew steadily. The Taff Vale decision of 1900, which made trade union funds liable for damages in case of a strike, was a factor of extreme importance. It drove the unions into politics, and into the L.R.C. against the liberal prejudices of the older leaders, and by 1906 the only important trade unaffiliated was mining, which, however, came into line in 1909.

In 1906 the L.R.C. changed its name and became the Labour Party.

The position of the I.L.P. inside the Labour Party is peculiar. Its membership amounts to less than one per cent. of the larger body, but it is responsible for the major portion of the propagandist activities of the whole Labour movement. A remarkably large proportion of the leaders of the Labour Party have graduated from the I.L.P., and the composition of the first Labour Government is instructive in this respect. Six members of the Cabinet were members of the I.L.P., including the Prime Minister and the Chancellor of the Exchequer. In the Government twenty-six out of sixty were members of the I.L.P. The I.L.P. is the socialist leaven within the labour movement.

The history of the I.L.P. is largely a record of unremitting propaganda work at the street corner, carried on by voluntary effort under every kind of difficulty. Progress has been fairly steady, membership has generally increased year by year, and where there has been a temporary but soon

recovered setback, it has been due either to trade depression and the falling away of members unable to pay the monthly contribution, or to some internal friction which has caused a rift within the party.

The internal dissensions, which have occasionally appeared, apparently from unconnected causes, have been in reality the old and difficult problem of principle and practice. It is far easier to maintain principles, political or otherwise, clear-cut and uncompromised if they have never to be put into practice. The difficulties of applying perfect principles to an imperfect world will always maintain the supply of psychological hermits, and the socialist movement has had its fair share. The problem of applying principles piecemeal has continually faced the whole socialist movement, not merely the I.L.P., and Proteus-like has appeared in many guises.

In the early years of the party's existence, what was known as the "Fourth Clause" was continually debated. The fourth clause in the constitution of the Manchester I.L.P. prohibited co-operation with any body not avowedly socialist. Had this become the national policy it would have largely prevented the great work of the I.L.P., the awakening of the trade unions to political consciousness and the formation and vitalising of the Labour Party. When this was accomplished the Fourth Clause controversy came to an end, but from time to time a small section of purists has ineffectively demanded secession from the Labour Party.

During the first ten years of its life, before the I.L.P. had definitely formed its tradition the leaders were constantly compelled to fight to maintain the particular I.L.P. characteristics, and twice in the past fifteen years the problem has arisen in an acute

form. The appearance of the Parliamentary Labour Party in 1906 brought an influx of members to the I.L.P. and the party grew too rapidly to assimilate them. When the limited achievements of twenty-nine labour members in a parliament of 670 were looked at through the sanguine eyes of the new converts to socialism the millennium seemed very far away. The little group of labour M.P.'s failed to justify the optimistic expectations their advent had awakened. In 1907 Victor Grayson was elected as a Socialist* in the Colne Valley bye-election. He was a first-class stump orator and utterly irresponsible. His oratory, irresponsibility and a scene in the House of Commons, in which he defied the Speaker's ruling, made him a hero with a certain section of the party. The parliamentary tactics of the labour members seemed tame in comparison, and a demand arose for secession from the Labour Party, and for a vigorous "clean socialist" policy. For several years the controversy raged with great bitterness, and at the Edinburgh Conference Hardie, MacDonald, Snowden and Glasier resigned from the National Council for a time as a result of a vote on the attitude of the Council towards Grayson. Soon afterwards Grayson led a seceding minority into union with the Social Democratic Party to form the British Socialist Party. This secession purged the I.L.P. of the majority of its malcontents; and the party rapidly settled down to its usual work.

The old trouble arose again after the war, this time as a repercussion of the Bolshevik Revolution. Influenced by Russian events many socialists were actively preaching the futility of parliamentary

* He refused to run under the Labour title which all I.L.P. candidates must adopt.

methods and the necessity of armed revolution. Communist literature circulated widely in the I.L.P., and produced some little effect. The matter was threshed out in the two annual conferences of 1920 and 1921, and the Communist sympathisers within the party, completely routed, withdrew in discomfiture.

These various dissensions, apparently so different in origin but in reality merely the recurring clash of two incompatible temperaments, will doubtless appear in the future under new guises. They will interfere temporarily with the work of the party, as they have done in the past. But they are not entirely evil, for they raise the whole question of socialist policy, and compel members, old and new, to reach down to fundamentals, and to review political principles in the light of political facts.

During the war the I.L.P. took a very definite pacifist attitude. Its members showed remarkable unity, and while the socialist parties of almost every other country were either split into hostile sections, or supported *en bloc* their respective governments, the I.L.P. remained steadfast in its continuous demands for peace. After the Armistice it intensified its already vigorous agitation in favour of just and reasonable terms and in opposition to the ideas which were ultimately embodied in the unhappy Treaty of Versailles.

The I.L.P. grew very greatly in membership in the years immediately following the war, partly due to the fact that Labour support in the country generally developed and partly to the reaction against war psychology which naturally expressed itself in support of the largest and most active anti-militarist party in the country. Moreover, many of the members, who had left the party during the

war or who had become dissociated from it by reason of overseas service, rejoined.

A little later, however, the I.L.P. experienced a temporary setback. The decision of the Labour Party to form local branches* with the object of enrolling individual members and the increased propagandist activity which resulted brought a new competitor into the field. And as the Labour Party had adopted a socialist constitution in 1918, the question arose as to whether the I.L.P. could usefully continue or whether its main work had been accomplished. In this atmosphere of uncertainty membership began to fall, and at the Nottingham Conference in 1922 a special session was devoted to the consideration of the future of the party.

At this conference Mr. Clifford Allen was elected treasurer and in the following year he became chairman. His energy and initiative had an immediate result. A large sum of money was raised and the Head Office administration completely overhauled and developed. The *Labour Leader*, which for thirty years had been the official organ of the party, was reorganised and appeared as the *New Leader*. Under the able editorship of H. N. Brailsford, it made rapid headway; its circulation trebled and it soon became recognised as one of the leading socialist weeklies in Europe.

The activities of the party were stimulated in every direction. Towards the end of 1922 the work of General Secretary, which for many years had been carried out by Mr. F. Johnson, was split in two and Mr. A. F. Brockway was appointed organising secretary. The following three years were a period of unparalleled expansion and activity.

*Previously the Labour Party had been composed of affiliated Societies only.

The most important addition to the activities of the party of recent years has been the appointment of a number of commissions for the investigation of various problems in practical politics and the publication of reports of a constructive nature. Of these the report on "A Socialist Policy for Agriculture" is perhaps the most striking.

APPENDIX.

The section of the post-war Socialist movement, which has attracted most attention is undoubtedly the Communist Party. The persistent advertisement it has received in the Press and from the Conservative Party, who have found it a useful bogey, has given it a prominence out of all proportion to its real strength and importance, and at the same time has undoubtedly aided its growth.

The Party was formed in 1921 by the fusion of the bulk of the branches of the British Socialist Party with one or two small and insignificant groups bearing such grandiloquent names as the Socialist Labour Party and the Socialist Party of Great Britain.

It is impossible to make any estimate of the size of the Communist Party as reliable figures are not obtainable. Moreover, the name Communist is used very loosely to include that fluctuating body of opinion which might more accurately be described as the "left wing" of the Labour movement.

The actual membership of the Communist Party must be comparatively small, but it is very active. Passive membership is not tolerated and obedience to the central authority is essential. Members are expected where possible to obtain official positions in Trade Union branches and local Labour Parties. This is by no means difficult, for there is no great competition for local secretaryships, and as a result

the apparent hold of Communism on the Labour movement is greatly magnified.

It is a mistake to regard Communism as something new in the English Socialist movement. In most movements, religious as well as political, we find on the extreme fringe a particular type of mind, bitter, narrow and suspicious, conceiving itself to be the vehicle of absolute truth and given to heresy hunting and the detection of traitors. Such a group has always been present in the Socialist movement, sometimes as a distinct party, sometimes as an unorganised section of a larger group, differentiated from it mainly by temperament.

The events of the past few years have been very favourable to this extreme section. The Russian Revolution gave it a seemingly practical lead, and provided it with a pattern; the Press and the Conservative Party gave it advertisement, and the long period of industrial depression and widespread unemployment, with their natural concomitant of discontent and bitterness, has obtained for it a hearing far more sympathetic than usual. Thus what for a generation past had been but a negligible irritant to the Labour movement has for the time being become a hindrance.

In the teachings of the Communist Party there is little or nothing new. They follow very closely those of the extremists before the war. We find the same scepticism as to the possibility of peaceful change and the value of parliamentary action. Events in Russia have led to a more definite emphasis of the inevitability of armed revolution and have popularised the somewhat meaningless phrase "Dictatorship of the Proletariat." But the bulk of Communist propaganda is very little different from extremist propaganda before the war, and

consists largely of criticism of the Labour Party and of individual Labour leaders.

At the Liverpool Congress of the Labour Party, in 1924, the Communist application for affiliation was rejected by a majority of nearly three million votes. This is not surprising, for an organisation believing in revolution would be entirely out of place in a parliamentary and evolutionary party. Moreover, the Communist objective inside the Labour Party is avowedly disruptive.

There are signs that the influence of the Communist Party on the left wing of the Labour movement is waning here as it has done in Germany. It is improbable that it will leave any permanent mark upon English political life, for it has evolved nothing new either in tactics or doctrine. It may be expected to sink back into the insignificance from which it was raised by the group of circumstances already mentioned.

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I

Indian Economics Students

Your leading article of 3rd instant, headed as above, has interested me much; it is, I believe, substantially true of most students of political economy, not only in India, that their work is almost entirely based on text-books of orthodox type.

Our universities are, I fear, institutions for the perpetuation of error in this connection, and it would be better to work from observed facts, whenever obtainable, rather than from theories which have grown up round this vital subject. But it is difficult to get a purview, statistics are notoriously misleading, and frequently our newspaper articles are written in support of some monied interest rather than for the public weal.

Political economy is an old-fashioned term which can be better described as the economy of politics, or economic policy, governed almost entirely by pecuniary limitations.

There are, however, some notable exceptions among our Indian writers, such as Dr. B. R. Ambedkar, who writes as follows in the Appendix 29 to the recent Royal Commission on Indian Currency and Exchange: 'Now I submit that the proposition that to economise gold as a currency is to impair its utility as a standard of value,' and again: 'by economising the use of gold, you thereby directly increase its supply, and by increasing its supply (in relation to demand) you lower its value, i.e. gold, by reason of this

economy in its use becomes a depreciating commodity, and therefore unfit to that extent to function as a standard of value. You cannot, therefore, both economise gold and also use it as a standard.'

This is an important contribution to research in relation to the gold standard agitators, who prate of an effective gold standard when they really mean a gold exchange standard or the option of gold for external payments, such as we now see in England.

Mr. B. F. Madon, of Bombay, is another notable writer on monetary economics, who has had the temerity to question the Quantity Theory of Money, because he assumes that cause must precede effect in such matters, but prices are generally agreed upon between buyer and seller before delivery is made, and often long before payment in currency is expected. Thus an increase in volume of currency generally follows, instead of preceding, a rise in the general price level; nevertheless, the predominant cause is the expansion of the currency, without which higher prices would be impossible, even allowing for extra speed in the circulation.

Messrs. P. A. Wadia and G. N. Joshi, of the Wilson College, Bombay, have published two remarkable books on *The Wealth of India*, and its Money Market, if it can be said to have one. But they overlook the quality-attribute essential to sound currency, and they acquiesce in the variation of the bank-rate as an inevitable and necessary phenomenon, mitigated only by the creation of instruments of credit.

One has only to read the preface to their second book to be convinced that they are actuated by the highest motives, and yet they support the idea of an effective gold standard, by which they mean that all currency should carry the option of conversion into gold at some fixed ratio.

They do not appear to realise that such a system gives to every holder of such currency the double option of securing gold at some fixed price, or of purchasing other commodities with it in the open market as constantly in touch with other markets today.

It is a rise of prices of goods which engenders a want

of confidence in our currency, not the extent of gold reserves in the currency chest.

If we want the 'peace of God' in India, we must first understand the actual mechanism of our money as it works in the guise of a standard of value, as a store of value, as a measure of value, and as our only medium of exchange. Also as it might, and should, work for the general welfare as a real medium.

This last is the only essential attribute of money; the other three are imposed upon us all by those who now possess or control this false medium.

There can be no such thing as a tangible standard of value, but there can be a standard or unit of price when a certain weight of fine gold is arbitrarily tied to a certain sum of our money; but this artificial arrangement then distorts all real values as expressed in terms of a limited stock of such money.

If a store or hoard of indestructible wealth is wanted, then gold can be purchased at the market price with any form of money; if a measure of value is needed as a common denominator, such money must be allied to all marketed goods, not only to gold, the imperishable thing of little value in use or for transport, partly because of its weight and partly because it is too soft for practical purposes unless adulterated with some alloy.

As a medium of internal exchange money can be made of gold only when overvalued, but its weight and cost of production, plus wear and tear, involve needless labour and risk.

Meantime, however, to maintain rates of foreign exchange with peoples who love gold for its beauty and its indestructibility, it will be necessary to give the option of a certain weight and fineness to all holders of the internal medium, but the prices in terms of such a medium at which it may be acquired by the issuing authority must not be fixed or hampered in any way. Without such freedom the option cannot be faced.

Here then we come upon two distinct relationships in regard to gold, one between the government of issue and its own people, the other between this same government

and foreigners who persist in the merits of the gold standard of price.

But when once any important country relinquishes the fetish of gold in favour of all marketed commodities, including gold, as the basis of real current values, other countries will soon follow suit, until gold becomes the 'barbarous relic' of a bygone age in connection with prices.

The discovery that values can be adjusted and stabilised through the volume of currency, instead of through prices or fractions of it as today, is the greatest event in the history of the world since money was invented to assist barter.

It was, however, but another form of barter, since the coins used had a metal value of their own, independently of their purchasing power; but if this intrinsic worth, as expressed in commodities, rose above that obtainable as a coin in exchange for other currencies or subsidiary coins of different metal, or associated with goods as influenced by custom and usage, such coins ceased to circulate as money, and then appeared as the commodity of which they were made. They were, in fact, undervalued as coin.

This fundamental fact goes to prove that values as expressed in such money are not real values, but merely prices. The silver rupee is an overvalued coin today; it has been called a currency note printed on silver, because its intrinsic worth as silver is far below its exchange value in sterling.

This latter value is maintained by limitation of the number coined by our Government in their effort to reduce, so far as may be, the burden of tribute payable on their sterling indebtedness and other obligations to England, amounting to some £35 millions per annum.

The recent battle of the ratio, when the respective merits of Rs. 15 to the £ and Rs. 13½ to the £ were disputed, was won by the latter as the *de facto* rate causing the least possible disturbance to rupee prices, which are presumed to have adjusted themselves to this ratio.

It was further assumed that rupee prices are governed more by the export trade than by internal transactions, although the latter are ten to fifteen times the greater.

It now remains to be seen if our Government can maintain this ratio, or even a slightly higher one, without further borrowing in London. The only alternative seems to be the contraction of their currency in hand by means of cancellation of the sale proceeds of part of the sterling security reserve held in London.

The actual method employed seems to be the payment of the proceeds of such sales to the Secretary of State for India, for use by him in meeting his expenses there, and by withdrawing the equivalent sum at Rs. 13½ to the £ from the Imperial Bank of India in currency notes, which are then destroyed.

The drawback to this alternative is that bank money stringency, thus created, tends to support or even to raise the rate of interest on all borrowed money taken from our banks by traders, who pass on the extra charge, if possible, to their clients in their selling prices, so that in the last resort the consumer has to pay for the support of the sterling value of all our rupees seeking remittance to London.

The conflicting interests arising from the position of our Government as a debtor in terms of sterling and a collector of revenue in rupees, with the obligation to keep prices steady in the latter currency, involve all kinds of interference with the natural course of events, so that trade becomes more of a gamble for the benefit of our exchange banks, who, although subject to competition among themselves, are largely associated as to quotations and must demand big differences between their buying and selling rates in sterling to cover the extra risk.

These wider differences tend again either to reduce rupee prices to exporters or to raise sterling prices to all importers in Europe.

It will be readily conceded that to raise the bank-rate, which now determines the interest payable on all outstanding cash credits or bank advances to traders, tends to increase the earning power of money, but it is not generally appreciated that the purchasing power of such money is thereby weakened or its quality affected.

For instance, Rs. 10,000 borrowed at 7 per cent. has

not the same effective power over commodities as the same sum taken at 6 per cent., because bank interest is an item of cost passed on to the buyer at every step by wholesale and retail distributors, so that, although a relatively small item, it tends to become cumulative in the process of reaching the ultimate consumer, as interest on interest.

A further rise in the bank-rate is also a possibility which traders must allow for when calculating their selling prices.

The conventional or orthodox view is that a rise in the bank-rate tends to contract the volume of credit issued by the banks and to cause a drop in prices, also to attract idle money from holders, but this doctrine and its converse—i.e. that cheaper money encourages trade and raises prices—is open to serious question from the observed order of facts.

The exact opposite is nearer the truth in most instances, viz. a rise in the bank-rate causes a rise in the general level of prices asked by sellers, as explained above; bank credit once issued cannot be contracted, nor in practice can it be restricted more than it is already, owing to the simple fact that banks always lend up to a safe margin of ready cash.

If bank loans are recalled or extension of time refused, the chances are that both borrower and lender suffer from forced sales of goods, so that in practice a contraction of credit is not feasible.

Holders of idle money are not rational beings, but they may be lying low for even higher terms or appreciation of their stock of gold, in the expectation of lower prices caused by money stringency.

If, owing to limited means, consumers refuse to pay higher prices and prefer to go without goods so far as possible, then, and then only, will this conventional orthodox view be justified among an already impoverished community. Sellers are forced to realise to escape the extra burden imposed on them, so prices break and fall away, to the general discomfiture of trade.

Neither does cheaper money encourage new trade or speculation, for these two are difficult to separate; on the

contrary, cheaper money helps to lower selling prices by reducing costs to sellers in open competition, if this natural order has not been stifled by trusts and other similar devices.

With a lower bank-rate, buyers will expect lower prices. Consumers will be the last to benefit ; they know little about such matters. But the manufacturer and his wholesale dealer will hesitate to enlarge their outturn or turnover by the offer of cheap money temporarily, because they know the capacity of their markets to absorb their wares at current prices ; moreover, the bank-rate may go lower still.

Cheap money means stagnant trade, and stagnant trade means falling prices with a slower circulation of money, until the consumer is tempted to resume his normal purchases at the lower level of prices advertised.

Statistics support the conclusion that dear money means high prices, while cheap money is concurrent with lower prices.

The quality of trade-money depends on the amount of tribute asked for its use ; if this tribute be high the quality suffers, i.e. prices are raised. If the tribute be small the quality improves, i.e. prices fall. Rates of interest react upon prices directly, and prices in their turn react upon volume of sales, i.e. the lower the price the greater the market, and the higher the price the smaller the market ; prices therefore react inversely. The conclusion is that rates of interest must not be considered as the same thing as the price of money. Rather should we look upon the amount of the loan as the price paid for the yearly interest the lender will receive from the borrower, plus the return of the original sum, in the same way as the market price of a share or stock is determined by its yield to the owner, not by its face or nominal value.

The price of the face value varies directly with the dividend, and, where this is fixed, it varies with the bank-rate, which in turn reacts inversely on the quality of all borrowed money through prices.

We may therefore conclude that if prices are to remain steady the bank-rate must be fixed and applicable only to loans fully secured in every sense of the word, not on the

security of marketable collateral in the form of debt, but against marketed goods drawn for and accepted by the buyer as value received and supported by the endorsement of some approved bank of deposit and subject to rebate.

Such loans are self-liquidating, not subject to any market variation, and limited only in extent by the prudence of the discounter.

Where transactions are carried through by means of promissory notes in favour of the seller, these must mention some time limit and rank as negotiable instruments when endorsed by the payee, and the rate of interest payable on redemption at drawer's option must be expressed thereon in relation to the fixed and permanent bank re-discount rate.

Cash credits granted by banks to sellers on the collateral of unsold stocks in hand and based on a market valuation would not be eligible for re-discount. The rate of interest charged thereon would therefore be higher, and subject only to the competition between such lenders.

This is the new economics your article calls for; it is applicable to India, where the power of the commercial banks to create crossed-cheque currency is still undeveloped, being temporary money based on their credit balances with the Central Bank and considered as cash.

The principle of State-aided finance through the Bank of Issue calls for no sacrifice, it simplifies to a remarkable degree the true relationship between Capital and Labour by substituting *Direction for Control* through the power of pre-existing money for the former, and by offering the certainty of immediate material reward as sufficient inducement to the latter. Wages will be stabilised with prices.

Every willing worker will then have an opportunity to make new money in co-operation with his employer, and the latter will be able to gauge with more accuracy the extent of his market, unaffected by constant fluctuations of prices.

Famines and seasonable variations in prices can be smoothed out by better transport facilities, aided by the certainty as to terms of financial accommodation, limited only by the prudence of discounting banks, who will keep them-

selves fully informed as to crops and market conditions. The only statistics needed will be the current volume of crops and the estimated needs of the population. Foreign commerce will be subordinated to home trade, and the rate of sterling exchange will find its own level on steady rupee prices, not on the vagaries of the currency and its convertibility into sterling exchange or gold in India or London.

Tradition, climate and religion are pertinent factors in the standard of living, and thus tend to disturb the purchasing-power theory of Mr. Gustav Cassel, but the new economics concerns the welfare of its own people first and last, leaving only surplus products to find their market overseas.

The re-discount earned by Government on every trade transaction will go far towards redemption of debt and reduce taxation to zero.

'*Pinehill*,' *Kodaikanal*.

H. R. SCOTT.

7th May, 1927.

II

What is Price?—A Critical Examination

FACTORS AFFECTING INDIA

According to orthodox economic teaching, a price paid in money is the automatic equation between supply and effective or monetary demand.

All prices must be expressed in terms of currency; they are always tacitly assumed to represent truly the real value of everything sold, when they are paid in a free and open market against prompt or future delivery of goods or services.

But this is not so, as I shall endeavour to show.

A money price by itself has no meaning; it is merely a sum of money, so it must refer to some article or com-

modity of a known measure or weight and of a known quality for delivery at a certain destination within a limited period of time.

Although price is expressed in terms of money, little heed has been given so far to the fact that all prices are fractional of total money so are not purely arithmetical; by this I mean that, whereas numbers are without limit, prices are dependent upon the total volume of currency issued by our Government, so that our units of money are strictly limited, indeed their value or purchasing power is supported by this fact.

According to the latest theory of money economics, there are three, not only two, factors which govern any price paid: (1) visible supply offering for sale; (2) monetary demand; (3) volume of money extant.

Although the quantity theory of money is fully recognised, its intimate connection with all prices paid or bid is largely modified or, indeed, neutralised by the fact that cash money or currency circulates or revolves, so that the same unit, coin or note can function more than once, thereby causing the total quantity to become of less importance as a factor of price than the rapidity of its circulation.

But this circulation of currency, a permanent and, barring accidents, an indestructible and inalienable medium of exchange, forms in highly civilised communities a very small proportion of total transactions. It has, therefore, become today a minor and less important factor in the problem of price paid.

Position in India

In India, however, the proportion of actual coin or currency notes is very much larger, although its speed of circulation is highly variable and quite imponderable. Moreover, this circulation may be hindered by the habit of hoarding and the absence of banking facilities, or want of trust in such as offer. So long as consumers can afford and are willing to pay them, money prices in themselves have no significance if they remain steady. It is the ability or capacity of buyers to pay which determines the level of

prices paid, not the cost of production and delivery as generally assumed. Cost of production and risk doubtless governs prices asked by sellers, but if these prices cannot be obtained the seller has to suffer a money loss, and finally ceases to function. This is called an economic adjustment, but there is no justice in it if the goods are needed and the needy ones willing to work when opportunity is not withheld. Thus production and distribution are reduced until an equilibrium is reached through scarcity, resulting in possibly higher prices, which consumers must pay or go without the goods, and workers without work. Values today are then based often on scarcity of goods or money instead of on real demand, since the latter is unable to function freely without opportunity to earn sufficient money. Variations in rates of interest on borrowed money are the causes of greater variations in retail prices asked, and these variations are due to the limited resources of the lenders, who in their turn are limited by the money savings of their clients, whom we may call bank depositors.

In this way economic facts so-called are forced to fit in to pre-existing figures (money prices), instead of these figures being allowed to expand and contract to fit economic facts.

It is a topsy-turvy arrangement and the cause of most of our troubles and evils in life, both national and international.

Economics abhors a disequilibrium ; she will always effect a balance between supply and demand, either by increasing the one or by reducing the other, or by the third alternative introduced by money prices, any movement of which constitutes a shifting of the fulcrum towards the greater of any two measures of weight, volume or quality of service. Thus, when supply exceeds effective monetary demand, prices must fall, or, in other words, the fulcrum moves towards goods until a balance is found ; conversely, if effective demand exceeds supply, prices must rise, i.e. the fulcrum moves automatically towards money, in order to find an economic balance.

This is the orthodox doctrine of adjustment through price, since price is assumed to be arithmetical, or the money

which composes it to be without limitation, owing to its revolution or circulation throughout the community to whom it is issued by its government.

Automatic Adjustment through Volume of Currency Paying Tribute

The doctrine I wish to preach is adjustment through volume of currency waxing and waning with the flow of trade transactions until actual scarcity or surplusage occurs through faulty calculations of producers.

The expression 'overtrading' implies that merchants carry larger stocks of goods on borrowed money than they can dispose of at a money profit to themselves and the lender; but when prices are not subject to constant variations, the risk of trade becomes much reduced and overtrading almost an impossibility.

Commercial banks will not pledge their credit to the State Bank in favour of any clients who may exceed reasonable bounds to their operations.

If things are to be exchanged one with another for the mutual benefit of both sides to every transaction at steady prices, currency, or the option of it as expressed in terms of bank finance, must expand without limit and contract with the flow or volume of sales.

These sales, in free competition to buyers also in free competition, will then give the real value of products sold, and their consumption by cash buyers will give the time-limit to the flow of the needful temporary money, which must pay a small fixed revenue to the State for its use.

The principle I advocate is already recognised by our Government when its Currency Department is authorised to re-discount *bona fide* inland trade *hundis* not exceeding 90 days' sight in new paper currency to the extent of 12 crores; but the further restriction of 6 to 8 per cent. per annum in the rate has been imposed, presumably in the interests of money-lenders, i.e. the bank shareholders.

In practice it has been found that our inland trade is financed by pro : notes on demand, backed by good names but without due dates; these cannot be re-discounted, and the

interest on them varies with the bank-rate, which in turn is governed by the demand for such loans.

Suggestions

The recent Royal Commission on Currency and Exchange has suggested that the stamp duty on bills of exchange and cheques be abolished; it would help matters further if trade pro : notes representing actual sales were included with *hundis*, and, further, that the re-discount rate be fixed at some reasonable rate, say 6 per cent. per annum, and the life of these pro. notes limited to, say, 90 days.

The main difficulty in extending the powers of the Imperial Bank to control of our currency is that it cannot re-discount its own acceptances with new State currency; but this difficulty could be overcome by the division of the Bank into two compartments, i.e. the Issue Department and the Banking Department, as in the case of the Bank of England.

There would then ensue two bank-rates, the first being permanently the same for re-discounting all genuine trade commitments; the second varying with the demand for speculative purposes or enterprise, but backed by marketable collateral as security. Such variation is essential by reason of the limitation of the Banking Department's resources of permanent money and for the contraction of such credit by raising the rate.

In this connection, it is necessary to bear in mind that contraction of credit can be attained by informal action of the banks without any change in their published rate.

The action of these two rates can to seen today in the Federal Reserve Bank re-discount rate in New York, which is, however, a variable minimum, and the Bank of England rate of discount, which is a variable maximum.

In India the Banking Department's rate might go below the Issue Department's fixed official re-discount rate whenever business was slack, but the enormous stimulus to trade of unlimited finance at a reliable rate would probably result in the bank-rate being above the official rate, partly by reason of the risk entailed in regard to industrial

advances or traders' overdrafts, and partly because such loans could not be transferred to the State.

If the Banking Department's rate went below the official trade re-discount rate, prices would tend to fall since speculation would show discouragement, and quotations for Government loans would rise until their conversion to lower interest payments could be effected; and this process of conversion would tend to persist until such securities would yield little to attract permanent money savings.

Deflation Impossible

Contraction of permanent currency is impossible; the holders must be given something in exchange for it. They cannot be legally deprived of their money, nor could they be taxed out of it when our Government is earning a large and constantly growing revenue from financing trade operations without risk, less a small commission to the Banking Department of the State Bank.

Our permanent money would become redundant and tend to be redeemed by existing reserves of metal and securities, which latter would rise in price until converted to new loans at a lower rate of interest.

However, I am now trenching on the domain of public debt and money savings, which, although connected with the variation of prices, need separate treatment. All that need be said in this matter is that if everyone saved to the same extent nobody would benefit, whereas if nobody saved everyone would have more money to spend.

We live in a price-ridden world today, mainly because we do not understand that money cannot function as a true medium of exchange unless it grows with every sale and shrinks with every final purchase.

The gold standard is not a standard of value but a standard of price when the price of gold is fixed in terms of currency, or is, indeed, part of such currency itself when in the form of gold coin of a certain size and weight, whether legal tender or not.

A Marketed Commodity Standard

The gold bullion standard now proposed is a commodity standard at a fixed price in rupees, but confined in practice

to transactions of 400-oz. bars fine. If India wants a gold currency let her people import sovereigns with their over-valued rupees, i.e. Rs. 13½ to £. No one will refuse them when tendered in payment of rupee debts, legal tender or not. Their market price in rupees is quoted in Bombay every day.

If the banks refuse them, they can always be sold in the bazaar as bullion, because under the new schème our Government is bound to take them at Rs. 21-3-10 per tola of fine gold in lots of 400 oz., or, say, 1,067 tolas. Value and price have been divorced; so also have economy and economics. Trade finance without risk is the function of governments; it must not be confused with bank credit or money-lending.

III

Lending and Spending

Since writing you my last article on the subject of 'Price' with a big P, I was interested to read Mr. Edmund Danes' dictum, in his useful book, *The Common Sense of Economic Science*, 1922 (Mills & Boon), that price can be lowered by means of improved production or by increased efficiency in production, which is manifestly true.

I did not touch on this aspect of the variation in prices today because I considered it as economy rather than money economics, subordinate in importance and limited by climate, physique, opportunity and general conditions of labour.

Many prosperous superior individuals seem to expect a solution of our labour troubles through increased efficiency of workers, both as to speed and quality.

The ancient Egyptians withheld straw from the Israelites, and when the latter could not make the tale of bricks these superior people said, 'Ye are idle, ye are idle!' Creditors adopt the same attitude today, and straw is money in this parable.

They quote the progress of Mr. Henry Ford as an

instance of this victory of efficiency over marketing difficulties, and, further; they point with glee to the fact that this wizard of industry has not only lowered prices but raised the wages of his workers!

They forget, however, that Henry Ford does not pay out any dividend to shareholders nor interest to banks, so that all the money profit which his accounts may show are spent in the business again.

They also may not know that he has had to extend his enterprise to include the supply of materials needed for his cars and tractors, and even to add transportation in his own steamers or motor ships.

With all this advantage in low cost of production per unit, plus improvement in quality, he also is finding difficulty in disposing of his output for money, so he has decided to reduce the working hours of his staff to five days per week on the same weekly scale, in order, as he says, to give them more leisure and therefore more opportunity to develop themselves as buyers of commodities of all kinds, including his own products.

This reasoning strikes the vulgar orthodox economist with dismay, but Mr. Rowntree, of chocolate fame, supports high wages on much the same plea. These two large employers may find it politic to talk in this strain. They must not be taken too seriously.

Perhaps everybody desires to ride in motor cars and to eat chocolates, but there must be some point of satiety in in such desires. Until this point be reached for all, no fall in price is justified in the realm of pure economics apart from the use of money as it is constituted, limited and put at the disposal of spenders today.

It is the negative side, or the withholding of money from use except on monopoly terms, which forces so many of us to go without or to economise the possessions we have, or, again, to substitute a cheaper and inferior article for a better or more costly one. Such economy is counted as a virtue and called thrift.

Our very ideas must conform to our means. Our ways must fit into our means, instead of expanding our means to suit our ways!

If we are busy making a livelihood, we have little spare time to give to a general and impartial survey of the conditions under which we live, nor does the Church help us to realise that to earn money today is only another name for enticing it out of the pockets of other people, since money cannot be acquired in any other way unless foreign barter is the essence of it, and then it is not money but goods or products which come to us.

But what has all this got to do with lending and spending? my dear reader may well ask. By spending I include the purchase of shares in any enterprise, not only the buying or assuming the liability to pay for commodities or services, which latter may well be considered investments, since no one cares to part with money unless some return in comfort is expected therefrom. To do so is termed charity.

By lending I mean the purchase of debt or liabilities bearing usually fixed rates of interest, either in perpetuity, as in the case of the older form of Government borrowings, or repayable in course of time at a nominal figure expressed in terms of money existing when the loan was issued but regardless of what such money may then be able to buy.

Or perhaps in life insurance policies, on the same conditions of uncertainty as to their real or ultimate value in goods.

If I say that all forms of money-lending are pernicious and even obstructive to real progress, I shall incur the odium of all orthodox economists; but, nevertheless, such is the fact.

India, of all places, is the home and happy field of the money-lender; where else shall we find such a contrast of degrading affluence and degrading penury?

With sound temporary currency based on sales it might well become the home of the wealth-maker, since its people are willing workers under guidance.

The expression money-saving means that we should not spend or consume all that we make, but should either lend it or invest it so as to bring in an income, which must, of course, be derived from the work of somebody else.

If everybody did this, how would producers find a market for their wares? So if we save money we do so at the

expense of those who do not, or cannot, save ; the majority are in this position today.

Taken in the mass, no community can prosper under the present system merely by saving or investing money within their own borders. The result is that it has to exchange its products with those from other communities, and although this is done through the medium of two currencies of limited volume, they are aided by bills of exchange expressed in either ; it is, in its essence, barter or mutual benefit to both communities.

It is the creation of these time or usance bills of exchange that adds temporarily to the volume of necessary money while the goods are in transit to the two sets of consumers for cash which redeems such bills.

In this simple way home trade has become dependent upon foreign trade, whereas the reverse movement is the more rational and natural.

The discount on a foreign bill of exchange is expressed in the buying rate of exchange offered by banks, and is therefore camouflaged to some extent. Home trade bills are not popular by reason of the discount or fixed rate of accommodation in a fluctuating market ; also by reason of the due date and uncertainty as to terms of rebate.

Cash credits, or advances supported by guarantors or by hypothecation of marketable assets, and sometimes by on-demand pro : notes with variable rates of interest above a certain minimum, appear to be more convenient to borrowers and lenders alike, the former being free to repay at his convenience, either in part or in full, and the lender can consider such loans as cash at call ; but in practice the borrower could not find the money, unless the loan were transferred to some other bank on the same security.

Countries should confine their exports to surplus production, not manufacture nor grow nor mine for export when their own folk are going short or asked to pay more for the same necessities.

Foreign bills of exchange are international currency ; gold is merely used to redress the balance, if needed by the creditor.

To borrow or lend for productive or development purposes may seem sound policy, especially when the creditability or character of the borrowing country is offered as surety for such a loan; but the yearly interest payable forms a burden or tax on such production, thus raising the cost of the new service to the consumer, and lays a tribute on posterity, since such loans are rarely repaid, and, if profitable to the borrower, will certainly be converted into a new loan at a lower rate of interest under threat of early redemption at par.

Every country could finance its own production and development if its government agreed to create new temporary currency in support of definite obligations, backed by commercial banks over the signatures of both promoter and distributors; even though such production or development were not in existence till a later date, this new money would not be needed until goods or services were rendered.

The knowledge that such finance would be available on fixed terms would encourage the distributors to agree to pay full value in terms of the local currency. Value, in essence, is only opinion or an estimate of what consumers can afford.

If imported material or services were needed, the Government would have to guarantee the rate of exchange on such necessary remittances at some fixed rate, but in doing this the risk would be more apparent than real, and the total cost less to the community than yearly interest payments on a loan of foreign money, which in itself would tend to lower the value of its currency at the offset.

Payments for materials and services would, in the long run, be less than the total sum to be remitted by way of interest and principal, but the incidence would not be spread over so long a period.

Guaranteeing the rate of exchange on all payments in its own currency would tend to reduce the volume of that medium, since it would be cancelled as received and thereby force down local prices through such deflation.

Such a movement in its prices would naturally stimulate exports, but at the same time discourage production within

its borders ; but no country can expect to acquire material or services from abroad without payment in goods.

In view of this certainty, it must go slow in its schemes to suit its means in the matter of exportable and marketable wares.

In lending to one's own government or to municipalities, or in purchasing such debts issued as they are on their legal power to tax ourselves and our fellow-citizens, we have become the creditors of our fellows and of their children ; and although the objects of such loans may be good in themselves and may result in improved amenities and security from aggression or revolt, yet the cost of this development and security is dearly bought, when one remembers that such could be more usefully spent in commercial and industrial enterprise, and the risk greatly reduced when every transaction automatically creates a sufficiency of the medium of exchange to ensure a ready market at home, and also when the issuing authority can extract a steadily increasing revenue without risk.

When banks pay dividends round about 20 per cent. per annum and also pile up reserve funds in order to secure the confidence of the public in their stability and financial strength, even while industry and commerce languish or stagnate, there occurs to the mind that this modern form of usury is extracting an undue contribution from the working and managing classes who are the real wealth producers.

If the shares in these banks are held by large numbers of small owners, the burden of such usury being distributed in this way does not pinch the whole body of consumers, but they must nevertheless pay for such financial agency in the prices of all their purchases.

Banking is not an industry, and its offices can well command the confidence of the public without any undue pressure on the enterprise, ability and industrious efforts of its best customers, the borrowers.

The National Reserve banks in America are restricted to 6 per cent. per annum dividends ; they have to keep a minimum percentage of liquid material assets with the central institution to cover their liabilities.

The confidence of their public is thus assured, so that

huge invested reserve funds in debts, which in times of stress would melt away in money value, are then unnecessary.

Approved commercial acceptances are freely discountable and re-discountable at the central bank, they are admittedly the best security obtainable, and, I may add, the only security representing real value, since they reflect the opinion of those best able to know the worth of the wares they buy since they rely upon their resale to consumers within a certain time and for a probable money profit.

These documents, being also a temporary substitute for money, enlarge the scope of the medium needed for such transactions in much the same way as cheques.

When we hear of our Government creating *ad hoc* securities or debt as cover for their increased issue of paper currency, we wonder what the public think of such a process of offering one's own debt as surety for loans free of interest!

The underlying idea of this action is that such evidence of debt can be converted into currency through the mechanism of the stock markets, but every increase of public debt adds to taxation and also reduces the money value of pre-existing debt.

The market cannot absorb round parcels of Government obligations for cash at any reliable money price, even though the new debt is balanced by an equal amount of new money.

The only result is an addition to both sides of the national balance sheet, the new currency being a further liability and the new debt a doubtful or questionable asset.

The purchasing power of such additional money must lower that of all previous issues, and be purely nominal itself. The only counterbalancing factor is a possible stimulus to extra production from higher money prices. Stimulants, however, are subject to reaction.

Our banks have a useful office to fulfil in the wise discrimination of their clients' commitments, also in protecting our Government from any attempted collusion between sellers and their buyers to obtain new money without adequate backing of new values created by their interchanges, but they cannot expect such services to rank higher in terms of reward than the enterprise, initiative and organisation of

industrialists or traders, who bear all the risk of fluctuating markets and often lose their property.

Indeed, I often wonder if it is not the losses incurred through business which enable the world to carry on under the present system, aided probably by the gradual depreciation of money based on gold or silver.

Under the new system I suggest, these trading risks will be much reduced, not through combinations of sellers nor by restricted output, but through reliance on expanding cash markets at home to absorb all utilities.

The banks can then do a larger business, but at steadier and lower rates of discount or interest, commensurate with the smaller risk taken.

Prices of all necessities will become stabilised ; also wages and the urge to saving for lending money will decline with the larger opportunity of making new money and with the lower yield of such so-called investments.

The opportunity of spending on all industrial enterprise will be increased, but the reward will shrink by reason of the lesser risk incurred.

Competition among sellers, if not throttled meantime by trusts and combines and mergers, will tend towards quality instead of towards quantity, or mass production, as the only means of lowering cost per unit so as to meet the limited resources of consumers.

Consumers' resources will then depend upon their own efforts and skill, under intelligent direction, not under control through wages.

Wage slavery and the right to work are Socialistic slogans with which many of us have no sympathy, but the world is beginning to realise that human beings should not be coerced by so-called laws of economics, which are really such laws as interpreted in terms of the property of their fellows, whereas it should be the property of the State.

'Render unto Cæsar the things that are Cæsar's, and unto God the things that are God's.'

Kodaikanal,
March, 1927.

H. R. SCOTT.

IV

Unemployment and Opportunity

The main cause of unemployment is want of opportunity to earn a livelihood; the problem, therefore, resolves itself into the creation of greater opportunity to all willing workers in relation to the desire and needs of the community.

When we use the word 'earn' we mean that sufficient money can be extracted from the pockets of those who possess it, or control it, to enable the worker to sell his labour.

It therefore postulates that such money exists before it can be earned; also that the inducement to part with it must be greater than the fear of not getting it back again, plus profit or interest in the meantime.

The fear of unemployment has now become so acute that many workers will combine and refuse to work, thus losing their own wages meantime, if any of their fellows are dismissed. Or they will combine to ask more wages under threat of ceasing work.

Such concerted movements need organisation, and the conviction in the minds of those concerned is that there is injustice somewhere; so they naturally conclude that employers are to blame in the first instance, if not entirely, whatever they may say.

Employers themselves are faced with the same difficulty of finding a steady market for their wares, which, although sorely needed, cannot be sold at a money profit unless wages can be lowered or the number of workers reduced.

This problem is world-wide and has presented itself for many years, but more especially since machinery usurped the place of manual labour.

Potential production has been enormously increased, but not so consumption, since the machine needs little daily food compared to the man; it demands no wages beyond depreciation of value on its original cost.

What, then, is the fundamental cause of this constant dislocation between money and service? If the latter

cannot subsist without the former, it is necessary that it should create it rather than earn it.

Service can create value. Why, then, should it not create money if value can only be expressed in terms of current money?

The issue of legal tender money is the function of the State, so we may look to our Government to correct the balance between created value and the medium necessary to express it in terms of money, but without disturbance of prices.

As new value is created a corresponding increase of the circulating medium must also be created, and when this value is destroyed through use or consumption a corresponding volume of such new money must also be destroyed.

The element of risk of inflation can be eliminated by the paid co-operation of the banks, who are in a position to guarantee repayment with interest on all new money issued against new values as created daily between creditors and trade debtors, who are thus turned into cash sellers and trade credit buyers.

This new cash called into being will be spent by sellers on replacements, including wages, and will in this way work round into the pockets of the traders, enabling them to redeem their debts to the State *via* their bankers, whose services they will also remunerate.

The State function of universal banker, without risk but with unlimited means at its disposal, can thus earn sufficient new money through finance of all transactions to liquidate its debts and to reduce its taxation to the relief of trade and enterprise, and to the stabilisation of all values as expressed in such truly representative money.

Our existing money today represents only a small stock of the precious metals, supplemented by public debts incurred on expenditure long since dissipated on material objects or on some necessary destruction by our army during frontier wars.

The current market value of such debts varies with the yield or net income derived from their possession, but this income is collected under duress from all citizens according to their means.

The market, however, is limited, so the value is dependent upon the volume of such transferable debts seeking realisation from day to day ; it therefore constitutes an ephemeral basis of real value when applied to sums larger than any market could absorb without serious debasement of quotations.

When old debts are paid off with new money, the holders of them must seek new outlets for investment, and this extra money capital will give employment to workers in new enterprises which now depend largely on bank credit, to help them along in the absence of savings diverted into loans to Government.

Old permanent money cannot be deflated unless the owners are compensated in some way, but it can be redeemed by the sale of its reserves for currency, which can then be cancelled or withdrawn from circulation.

The sale of Government securities now held as reserves will weaken the market, but the reduced volume of them will counteract this effect and the flow of new money will tend to raise the quotations for them, and thus enable the rate of interest to be reduced through conversion loans. The process will be gradual and cumulative until, finally, such borrowing will disappear.

If our local government is to come to the relief of our unemployed by making work for them meantime, as suggested, in the shape of some enlarged waterworks and new hospitals, this benefit must be paid for by means of increased taxation, which in its turn tends to raise all prices locally and thus to further restrict trade transactions.

' Pinehill,' Kodaikanal,
27th May, 1927.

H. R. SCOTT.

V

Industrial Unrest

Your leader of 3rd instant, entitled ' An Enquiry Needed,' states that ' employers are compelled by economic laws to adopt the steps which have led to strife.'

Are you not here confusing money economies with economic laws? The dismissal of working people was an economy forced upon employers against their will by the so-called economic conditions under which we live, i.e. a limited supply of the media of exchange and trade credit issued by banks, primarily for their own benefit, at the minimum of risk. You go on to say that the workers attribute dismissals to 'wilful victimisation,' which notion they get presumably from their leaders, who preach a war against Capitalism as being the cause of their unfortunate position.

In some instances these workpeople cannot formulate their grievances, but they must have sufficient conviction to feel that there is something wrong when they see their fellows turned off because there is no work for them, and yet the needs of the whole community are crying aloud for essential material comforts which applied labour alone can supply.

Of what use can any enquiry be, especially of non-officials, who could not, from the nature of the case, take a dispassionate view of the position as now disclosed?

Such committees invariably look to increased efficiency on the part of workers to solve the problem by reducing costs of units produced, and thereby increasing their sale for a money profit through improved organisation on the part of employers.

This adjustment is necessary to the economic conditions imposed upon us all by our Government, which looks upon scarcity of the medium supplied by them as a necessary basis for its value as expressed in sterling.

This sterling value is now its chief concern, regardless of all other considerations. The official ratio must be maintained at all costs, and these costs are restriction of production in order to support rupee prices, which consumers must pay if internal trade and industry is to be carried on for a money profit.

If, however, consumers prefer to go without or are unable to pay, the result is, as we can see today, restriction of supply and dismissal of workers when consumption is further reduced.

Something can be done to end this woeful alternation of struggle and destitution, but, the cause being fundamental, the cure must also be fundamental, i.e. a recognition by the public that the borrowing of money by the State from its own people or abroad is unsound and harmful. The State in its official capacity cannot borrow money from itself in its corporate capacity without disturbing the relationship of money to service, since the savings of its people are thus diverted from legitimate enterprise, with its employment of labour, towards money-lending with its levy of tribute in favour of the individual lender, backed by the power of taxation.

The prime function of Government is the supply of currency with which the daily business of its people can be carried on without undue disturbance of all created values, and it should be entitled to charge for the use of this money a sufficient tribute to cover all its official expenses without penalising the enterprise of its most important supporters, the capitalists.

No risk of loss or of inflation could occur if the commercial banks are ready, as they are, to guarantee on their own terms that all new currency issued shall be returned for cancellation when once its work is done, except that percentage which is levied by Government for its use, and also bank commissions and profits earned by industry and trade.

This steady increase in the volume of currency will be offset by the increase of population and the inevitable losses sustained in the risks of production and distribution.

The necessary mechanism exists today, and can be introduced almost without the knowledge of the public and without any disturbance of prices; the only essential is that the terms of the tribute demanded by the State, through its agent, the Imperial Bank, should be fixed and reliable to all approved parties.

If the ratio of sterling exchange must be assured, the option to convert rupees or notes into standard bullion subject to, say, 14 days' notice, and limited to, say, Rs. 13-5-4, must be imposed upon the State Bank at the rate of Rs. 21-3-10 per tola, coupled with its freedom to acquire

bullion or sovereigns from abroad at any price it finds to be necessary to meet the demand.

Such conversions will contract the supply of currency and thus tend to raise the bank-rate, which may then bring out inactive holdings into the circulation; gold hoards may also appear, if saleable to the State Bank at Rs. 21-3-10 per tola of standard quality, as already approved by the Legislative Assembly in Delhi.

*'Pinehill,' Kodaikanal,
5th June, 1927.*

H. R. SCOTT.

VI

Religion and the Strike

SIR,

Two letters have appeared recently in your issues under this head: the first reporting the abuse of Christianity as a causal connection with labour troubles, and the second asking what has Christianity to do with, or not to do with, such manifestations of revolt among workers all the world over.

In this connection, we may pertinently ask if it be possible that economic law be opposed to moral law, and if there are not considerations of justice and humanity larger than those of trade, commerce and industry, and, indeed, a moral and spiritual obligation dictated by enlightened self-interest in the conduct of our affairs.

The nexus between Christian principles and labour disputes is at first difficult to discern, but it is undoubtedly related to the root of all evil, known as money, since all these troubles arise in regard to wages, or the absence of them through want of work or unemployment. Christian principles, under our existing monetary system, are not practical politics, by reason of the fact that we cannot live without money, nor can we acquire it except from those who possess it, and who are thus empowered to demand their own terms for it or for the temporary use of it.

The laws of applied economics are today expressed in terms of money through prices or fractions of it, and the principles of Christianity are expressed in terms of values beyond all price; but they both call for sacrifices: the first through economy, the second through self-denial.

The adjustment of economic values through prices does not run parallel to the appreciation of spiritual values, since the former is limited by the magnitude of money itself and the speed of its circulation, whereas the latter has no limit beyond the abstract benefits and faith which they inspire in the good-will and humanity of mankind when freed from material or economic relationships.

The crusade against Capitalism as preached by the leaders of Labour is the immediate cause of discontent, but Capitalism itself is in no way to blame, beyond its inability to perceive that, without the assistance of expanding cheap State finance, it is helpless to find a market for all it can produce, even with the strictest exercise of economy in the use of materials and money, although the needs of its clients are obvious and their claims undeniable.

Christianity must, therefore, examine the means at our disposal to arrive at some constant equilibrium between human needs and desires, and their fulfilment through work of real value to the community.

The present mechanism of money and bank credit must be understood, and its methods adapted to create human welfare as opposed to ill-distribution of wealth, which mars our civilisation.

Christendom has neglected this duty, hence come wars and dissensions on all sides, which at root are due to economic causes.

The laws of economics may be immutable, but their translation in terms of a limited supply of permanent indestructible money wealth are in truth but distortions of real values, appearing and disappearing daily before our eyes.

The medium must assume the attributes of perishable material wealth, waxing and waning with its creation, use and destruction, before it can reflect truly the value of such wealth in arithmetical units, not in fraction prices of pre-existing money.

It is useless to preach economy, self-denial and personal sacrifice to those who already suffer from privation, penury and the fear of poverty.

Let Christianity, therefore, examine the monetary conditions under which we live and work for the satisfaction of its adherents, that these are conceived in the humane spirit of helping each other to do our best now and henceforth.

Christian doctrine will then be free from the gibes of Labour agitators, but not till then.

*'Pinehill,' Kodaikanal,
13th June, 1927.*

H. R. SCOTT.

VII

Why Governments Should Lend and Not Borrow!

In one of my recent letters I drew attention to this suggested revolutionary change, which was first mentioned to me by a leading Calcutta banker, who afterwards took charge of a branch of one of the 'big five' in England during the War, and who therefore knew what he was talking about.

It may be asked; How can governments lend money when they invariably need to borrow it; how can governments receive interest from their people instead of paying it from proceeds of taxation?

In turn I would ask, What do governments want with large sums of money unless it be for productive works which cannot now be undertaken by private enterprise? Perhaps it is to pay off old loans?

It is revenue they need for payment of salaries and current expenses of administration, since these cannot be paid with new paper money created for the purpose without raising the price and cost of everything against themselves in terms of such money.

The War has shown us the evils of such manufacture of the medium of exchange when governments spend such money, which costs them practically nothing.

But to lend it is quite another story, especially when the security is better than gold, unquestionable, and repayment with tribute assured on due dates. This lending in new money, printed or coined for the purpose, can be made through the banks, as indeed is done now in times of stringency, to the extent Rs. 12 crores at from 6 to 8 per cent. per annum, on the security of internal trade bills endorsed by approved bankers. These trade bills are self-liquidating, and, if dishonoured on maturity, the discounting bank is liable to meet the debt.

No finer surety exists. In this statement I have the authority of leading economists all the world over; the objection raised by Mr. Hartley Withers, that two lots of new money might be issued against the same parcel of marketed goods on a resale, overlooks the fact that the original buyer on credit will certainly redeem his debt rather than incur further interest.

The chain of responsibility is complete, from the State Bank to the discounter, to buyer, to seller and to goods or wares actually sold and passing into consumption or use.

The life or usance of such bills or *hundis* is dependent on the nature of the goods concerned, but a limit of 90 days' sight has been imposed by our Government as a tentative measure meantime.

The implications of such a system of State-aided finance are enormous, almost unbounded; so it seems strange that statesmen are unable at present to visualise them as the cure for the evils and demoralisation of unemployment, leading to unrest and sedition.

Is the world afraid of prosperity or is Government afraid of the banks, whose power to demand high rates of interest would be weakened when Government appeared as a competitor with them?

Is it the dread of inflation through unlimited credit granted to traders against their sales of goods, or is it the fear of falling sterling exchange, which prevents such a system from indefinite expansion for the benefit of all concerned in this country?

The banks need have no fear; the discounting of bills and *hundis* rests entirely with themselves in competition, which

in practice is limited except at big trade centres, but they dislike innovations and they pushed their method of cash credits, which permit of no transference of such loans to the State Bank, as an argument that internal bills are often in short supply (*vide* page 21 of Appendix 3 to the *Report of the Royal Commission*, para. 23).

Negotiable promissory notes of limited life would overcome this difficulty, but such notes must be drawn against value received from the seller and not against a valuation of unsold stocks or crops.

The Government, so far from competing with the banks, would become their ally in its power to re-discount with new currency all their approved acceptances at some fixed and reliable rate of discount.

The limitation of such credit would depend upon their individual financial standing in the first instance, and finally upon the creditability of their own individual clients, backed by any safeguards they may choose to impose, such as certificates from sellers as to the nature of the goods or letters of lien from buyers.

The value of such goods in terms of money could be verified by local price currents and by brokers' evidence.

The last bogey is, of course, the rate of sterling exchange, which is bound to vary from such a policy of extended credit, unless automatically stabilised by some option to convert local currency into the standard of price adopted in London, i.e. the option of gold in bars of 400 oz. troy for export purposes, and the denial of the old right of importers to get their bars coined at the Mint.

Foreign trade, however, is barter; it is not conducted in local money, so that the magnitude of the rupee circulation does not directly affect the problem before us, since it is concurrent with the flow of marketed wares.

But the balance of foreign trade is bound to fluctuate from day to day, and this fluctuation, although now mitigated in some measure by the covering operations of the exchange banks, is contrary to the interests of exporters and importers, just as much as fluctuations in sterling and rupee prices hinder them and increase their risks.

Although the internal trade of India is many times

greater than her foreign trade, and although India is usually a creditor country, her Government, by reason of its large sterling indebtedness and obligations, must be considered in this connection of a stable rate of exchange.

The Imperial Bank of India, whose cumbrous machinery seems incapable of embracing the function of currency issue and destruction by the simple addition of a separate Reserve Department, under the supervision of a salaried comptroller, is to be superseded by a Reserve Bank of India or State Bank, so this latter must accept the statutory obligation to buy and sell fine gold at the fixed rupee price of Rs. 21-3-10 per tola.

This, indeed, it can do, provided it be free to purchase outside India gold at any price in new currency in order to meet all demands. This freedom is essential to prevent any rush to convert rupees into gold, since such payments by the public will contract the internal currency *pro tanto*.

This contraction or deflation will, however, be offset by the new issues necessary to obtain fresh supplies whenever existing stocks, say £22 millions sterling worth or Rs. 30 crores, are getting low. Such purchases of sterling in new rupees will weaken exchange, but will be counterbalanced by the public's option to convert existing circulation at the arbitrary fixed price mentioned above.

Are we, then, to conclude from this summary that all this present fuss in connection with the Royal Commission on India Currency and Exchange, with its recommendations regarding a gold bullion standard hedged about with complicated and elaborate provisos (in regard to the working of the Reserve Bank of India, which last suggestion was quite outside the terms of reference), are futile and a waste of time? Undoubtedly it must be so, if my premises are correct.

The only net result so far is the rise of speculation in silver in Calcutta and the feeling of uncertainty as to the future, which renders traders timid and business dull and depressed meantime.

Unemployment is showing its ugly head again in Madras and Bombay. At the Calcutta dinner in London recently, one speaker eulogised our Finance Minister as the success-

ful administrator who had improved the credit status of our Government some 25 per cent., so that its loans can now be floated on terms more favourable to the borrower; but the obverse side of the medal will show the true cause of this change in the greater difficulty of finding profitable employ for money in India compared to lending it to the State.

My first paragraph refers to productive works now undertaken by our Government, but if our rulers lent new money instead of borrowing it, there would soon be sufficient savings in the hands of its people to subscribe to all such useful ventures, the risk of which would be much reduced by the close relationship between work, money and the benefits from its rational application through spending, not through lending. Opportunity is the golden key to all labour deadlocks; they will soon smooth themselves out when workers have the choice of alternative employment whenever the conditions offered them are not sufficiently attractive.

‘Never talk of filthy lucre; money can be a beautiful thing’—it will feed all the children without begging.

VIII

Economy versus Economics

Economics is the living science of permitting our means to suit our ways, but economy is just the reverse of this; it refers to the painful effort, or privation, to make our ways fit in to our means as expressed in terms of existing money.

The idea can best be expressed by a vulgar fraction, in which the numerator expresses our needs and the denominator represents the money means at our command for giving effect to those needs.

If, then, this fraction be assumed to be $\frac{4}{3}$, it is evident that we must either decrease the numerator (needs) to 3 or

increase the denominator (means) to 4 if unity and equilibrium is to be attained.

The process of decreasing the numerator (needs) is called economy, whereas the process of increasing the denominator (means) is called economics.

However, to say that our needs are to our means only in the ratio of 4 to 3 is manifestly absurd ; it would be truer to put them in the ratio of 100 to 3.

Economy is always painful and difficult, but it must be faced if we are to succeed in the material field of everyday life today, and it is interesting to observe what shifts and exercise of ingenuity we have displayed in a partial solution of the problem to make ends meet.

Emerson says somewhere that the philosophy of the East has been towards the reduction of desires rather than towards their fulfilment through effort, as opposed to that of the West, which always seeks to improve the means towards our ends.

Political economy was the name given to the processes of material advancement and a balancing of the National Budget by way of taxes.

When this was found to be impossible, governments, especially during the War, adopted a system of indirect taxation by means of the manufacture of paper money, which merely resulted in raising all prices, and thus the cost of everything, until the outcry of their people put a stop to such folly.

Subsequent attempts to reverse the process, however, merely led to further distress, until it was recognised that any attempt to adjust values through prices is futile in principle.

Economy, or reduction of the numerator of our desires, was then called upon to do its part, and a noble response was made, in spite of unemployment, penury, labour disputes and general discontent.

Increased efficiency was preached to all workers and improved organisation to employers ; new inventions and discoveries were expected to relieve the strain by multiplication of production through scientific processes, thereby reducing costs and then prices when working in open competition among sellers.

Sellers, however, preferred to combine in order to maintain their prices, which consumers were thus forced to pay so long as they were able and willing to do so.

The ability of consumers, however, is limited to their opportunities to find work, which became increasingly difficult under such conditions. No serious attempt to increase the denominator was suggested, until it was realised that any such increase to be effective must be automatically balanced by a corresponding increase of the means of payment through work towards the satisfaction of desires.

This solution, expressed mathematically, is that the fraction must be raised from $\frac{4}{8}$ to $\frac{4}{80}$ by gradual progression, when it will be found in practice that, as the effective denominator increases, the numerator will gradually shrink until $\frac{1}{800}$ is arrived at.

In other words, the nearer we arrive at the satisfaction of our desires, the smaller, relatively, the means to that end will become, since satiation puts a check upon production through lower prices.

This solution explains the cause of our present disequilibrium, which is based upon scarcity as the ruling factor of price, and therefore of value, but value independent of price was not recognised as possible.

The creation of new values was hindered because the creation of new money was prevented, the former being only transient, while the latter was permanent; so the idea of temporary money was evolved and the creators of it reaped a rich harvest in money charged for its use.

This process of money-lending had always functioned undisturbed till governments trespassed in the money markets with floating loans, until such interference reduced the supply of such credit facilities for genuine and speculative trade.

The process was, however, always restricted in practice to a certain proportion of actual permanent money available, so that as potential production increased it was checked by limited powers of consumption through a drop in prices then rendered necessary.

Foreign markets came to the rescue by process of barter as independent of money, but high import tariffs and

lower costs of outturn abroad by our competitors restricted this field of effort also.

The paradox of general want when willing workers are ready to supply those wants pointed to some fundamental error in monetary economics which economy could not cure, but the public clung obstinately to its old orthodox doctrine of Supply and Demand, on the basic assumption that the circulation of the permanent media of exchange would result in an equilibrium if left to itself, forgetting that such an equilibrium might entail starvation and civil war.

Doctrinaires of many ideas appeared and, in their efforts to teach their theories, got in each other's way and befogged the public mind.

It was not until Socialism, Bolshevism, Communism and Collectivism failed to show any constructive plan that Capitalism realised that the trouble lay not with their system of individual enterprise and effort, but with the tools they were obliged to use, i.e. a limited and restricted permanent medium of exchange as a basis of commercial and industrial credit and finance.

The bankers naturally contested this aspect of the problem; they posed as the best friends and helpers of all sound enterprise and legitimate trade. But the conclusion forced itself on dispassionate observers that the State must assert its prerogative as the supplier of temporary currency against all newly created values as soon as proved by actual transactions, but without risk of inflation or loss.

To this end, then, it must look to the banks for protection against fraud or collusion; also for repayment of such new money as soon as its work be done, plus a small fixed tribute for its use.

This tribute ensures that repayment will occur at the earliest possible moment; it also constitutes a source of revenue or sales tax, which will go far to relieve taxation and the necessity of borrowing from its own best servants, the capitalists.

Economy, meantime, will play its part not by reducing prices, but by improving the quality of products, by increased transport facilities and by the release of the precious

metals now hoarded as necessary reserves; in support of the old-fashioned permanent circulating medium of exchange expressed on pieces of paper, promising to pay such metal in coins on demand.

The new currency will be largely displaced by cheques, and other negotiable instruments of transfer, from one bank to another, but payable on demand in such notes, which will be supported in value as legal tender by actual created wealth of all kinds in course of flow from producer to consumer from day to day.

Current prices will be steady and conform to current values, independently of any physical standard beyond that of price, governed by the free interplay of potential production and desire, backed by ability to work for new temporary money or the option of it.

If the Indian prefers his money printed on silver discs as rupees, his Government can well afford meantime to give him the option of them, since their weight militates against the use of them in payment of large sums.

The following extract, from the *Report of the Royal Commission* of 1926, throws a useful sidelight on this gradual evolution: on page 47, 'It clearly follows that stability of internal prices in relation to the world level of gold prices will prevent those repercussions, and will therefore prevent instability of the external value of the monetary unit, that is, of the exchanges. And if the exchanges are stable, and keep within the upper or lower gold points set by the fixation of the price at which the Reserve Bank undertakes to buy and sell gold, *it will not be called upon either to buy or sell gold.*'

Thus the statutory obligation to sell gold to the public at any fixed price in rupees will not be availed of by the public, provided that rupee prices are stabilised automatically as suggested.

Besides this, the Reserve Bank has always the power to purchase gold in London, or elsewhere, with new rupee currency, if the demand or desire for the metal in India warrants such an operation.

The contraction of the permanent existing currency by such sales would offset the expansion caused by such outside purchases.

There would be no variation of the Bank re-discount rate to disturb prices of goods once marketed, but the rate of interest demanded for bank-credit in advance of sales would be governed by the enquiry for such temporary accommodation as it is today.

In the absence of Government borrowings, private savings would have to find an outlet, either through the banks of deposit or through investments used for the employment of money-capital and labour.

'*Pinehill*,' *Kodaikanal*

H. R. SCOTT.

9th June, 1927.

TO THE EDITORS, *The St. Martin's Review*,
21, Chandos Street, London, W.C. 2.

IX

Readers Overseas

On page 224 of your April number you invite readers abroad to write to you, so I venture to do so, not to relate any story of my own adventures, but to point out that your *Review* does not touch upon the practical and ethical application of money to human affairs.

Labour agitators in Madras have recently accused Christianity as being one of the causes of injustice to workers.

They naturally conclude that the present monetary system is understood and approved by all Christian teachers, but I venture to think that few, if any such, do understand the present mechanism of money nor how it could be improved, so that, instead of the root of all evil, it might become the material salvation of mankind.

Material welfare is a pre-essential to spiritual development; it is useless to preach self-denial and submission to those who do not get enough to eat or find it hard to make a living, and especially to the unemployed, of which there are many now in India, particularly among the better educated.

I offered to give a lecture here to the local Missionary Union, composed of several hundred members now on their annual holiday, but only two of them turned up!

Perhaps the fault was mine for calling the subject matter 'Monetary Economics,' instead of 'Money in Its True Relation to Human Welfare.'

Let not the Church consider itself above the consideration of such sordid questions as the mechanism of money, for without money it could not live.

There is confusion in the public mind between economy, or the effort to make our ways fit into our daily means, and the science of economics, which seeks a method of expanding our means to suit our ways.

We have put limitations upon ourselves that can and will be removed by public enlightenment of the causes of present scarcity, not only of worldly goods but of imagination towards a more ideal, practical and humane progress in the treatment of willing workers.

The Industrial Christian Fellowship, of Westminster, considered my suggestions and proposals last year during the great coal strike, but rejected them on the grounds that they were too technical. I shall not, therefore, inflict them upon your readers, except to say that currency is the life-blood of trade and commerce, so that it is essential to progress that all new values as created should also create new currency, whereby such values can be assured a ready and sufficient market without any disturbance or reduction of prices. Such necessary reductions under economic laws, as interpreted in terms of a limited magnitude of money, merely discourages production and thus leads to artificial scarcity.

The destruction of new values, through use or consumption, must also automatically destroy this new currency, but the State can reasonably demand a small fixed tribute for its use, and the banks can reasonably charge a smaller tribute for their guarantee that it shall be repaid to the State in due course.

Individual credit must be limited in practice, but community credit is practically unlimited, and must be fostered by the State in terms of finance, expanding and contracting with the magnitude of daily transactions.

Existing money based on the option of gold, and in no way supported by actual current wealth as created and destroyed from day to day, will tend to disappear and be replaced by a better and truer medium of exchange and value, based on the free interplay of economic forces of Supply in relation to Desire, backed by opportunity to work for the satisfaction of such desires.

A leading banker in India, then on the staff of Lloyds Bank in England, said to me in London last year that Government should lend money (currency) and not borrow it; and this is the gist of the whole matter. But its application needs a close study of the problem; also practical knowledge of our present topsy-turvy dispensation in monetary economics, as taught at the universities by theorists.

Yours faithfully,

H. R. Scott.

X

The Economic Church, 1950

The following sermon appears in the local Gazette under this date:

DEAR FRIENDS,

Looking back over the past decade, we must lift up our hearts in thankfulness at the progress attained in human welfare and happiness, not so much by healthy aspiration and prayer as by careful analysis and observation, carried out by a dispassionate and devoted band of earnest workers.

Their efforts, in spite of much adverse comment and neglect from those they tried to serve, have at last been crowned with a measure of success which threatens to almost overwhelm our feelings in gratitude.

They felt, as many of us today feel, that the doctrine of Christianity was not practical politics until released from mundane and sordid anxieties, which overpowered the soul of man in his daily struggle towards pecuniary independence.

We now realise that such independence could then be purchased only at the expense of the dependence of others upon our own good-will and patronage. The fortunate ones had it within their power to withhold their patronage or to bestow it elsewhere, without any qualms of conscience in such discrimination. This attitude was termed economy.

Today we have a wider and nobler purview of human relationships as interdependent and interlocked in every aspect of daily affairs, so that we cannot benefit ourselves by hindering or injuring our fellows through quasi-economic pressure.

Economics has taken the place of theology in our spiritual development; we recognise it as the outcome of practical philanthropy through religion and ethics, resulting in enlightened self-interest and material prosperity to all who are ready to employ themselves to that end.

The State has become the national creditor, where formerly it figured as the personal debtor with powers of oppression to exact unwilling tribute even from its creditors.

Money was the root of all evil, but has blossomed forth as the general benefactor and blessing, proportionate to our individual efforts to call it into being through production hallowed by marketing, in the certain hope of consumption with destruction of the medium supplied by the State on reliable and practical unlimited conditions.

The worship of the golden calf, aided by credit, as the physical embodiment of all values, has been overthrown by the experience of the last great War, which taught us that no single commodity, however scarce, useless and imperishable, can measure correctly the value of the perishable necessities of our daily life.

Money is a sacred living thing, called into existence by every interchange of wares, and perishing again with every act of consumption or personal service as paid for in such a presentment of value which flows through commerce and trade, like the life-blood of the animal body, constantly

destroyed and constantly renewed by every act of assimilation by the body politic.

Prices are now true values, and all values can be expressed by prices, being numerical units or arithmetical expressions of unlimited scope, based upon the free interplay of unfettered economic forces.

We now know that it is our duty to spend what we make and possess, not on personal gratifications or display beyond our rational needs, but upon enterprise, development and research, leaving the State to function, through the willing co-operation of the banks, as the proper source of all lending for tribute in lieu of taxation and borrowing.

Our bankers, greatly to their credit, as trustees for the old metal plus debt-backed money wealth of our citizens, were among the first to recognise that their existence was bound up with the welfare and progress of the whole community, without whose willing co-operation such money became a wasting asset.

They expanded themselves, like the frog in the fable, through the mechanism of credit operations, till some few of them burst in the process. Theirs was a system of economy of currency subject to such limitations as public confidence in them could support without fear.

By amalgamations and associated working, they created a mechanism of credit money and the cancellation of mutual indebtedness which gave them enormous financial power even over systems of government.

Their money acquisitions, although concealed so far as possible, was, however, their undoing when the working people once fully realised that debt carried the double burden of tribute plus redemption, and that the former put a strain upon human endeavour greater than it could bear with efficiency.

Labour revolted and refused to function unless the strain be relaxed, if not removed altogether. It blamed the task-masters, so these latter referred the problem to economists, who, although in many cases felt constrained to serve the immediate interests of the moneyed classes, found among their ranks independent writers, who discovered the key to the riddle by calling upon the State to re-assume its old

prerogative of certifying new currency as legal tender, if fully supported by marketed value presented in the form of promises to pay, in lieu of actual current cash or its counterpart.

These promises, of limited life, when backed by the signatures of the sellers and of the banks who were ready to monetise them by process of credit money on terms fixed by themselves, were converted into new legal tender medium by the action of the State, working through its accredited but responsible agent, the Central Bank, whose duty it was both to issue and to destroy this new money in exchange for such paper promises, after careful scrutiny of the guarantors and their prior commitments.

This gradual evolution may be known to many of you, but its silent and invisible working, except in their remarkable consequences, are not generally understood, although fully appreciated, today.

Money-lending still exists among us and serves its useful purpose under the bright light of publicity, whereas in bygone times it was carried on in secrecy; even bank employees were sworn to secrecy, which in practice was hardly feasible, but today all advances and loans of metal-backed money are widely known, and if not so declared are irrecoverable by legal process.

Speculation has largely died away from the stability of all prices relating to daily necessities; public debts are in rapid process of conversion and extinction.

Money lent is earmarked for specific purposes, and if not so used the borrower is discredited for the future. If lent for unproductive purposes, the lender comes under the ban of the Central Bank as one inimical to the public welfare as expressed in stable price levels.

Foreign relationships are assured for all time by the export and import of surplus commodities only, not by inter-state competition for markets which exist mainly at home, where all workers find ample opportunity to make new money in the occupation best suited to their inclinations and aptitudes.

Inter-state differences can be settled in terms of any commodity demanded by the creditor, not only in gold or the option of it.

Such, dear friends and fellow-workers, is a short history of the evolution of our present money medium; we are now free to devote our spare time and our minds to further spiritual progress and understanding, and to escape the personal responsibility of our brother's keeping, well knowing that if he falls by the way it is mainly due to his own fault and not to any connivance on our part in injustice or lack of reasonable opportunity within his reach towards self-support through useful work.

God helps those who help themselves. Poetic justice is largely established amongst us.

H. R. SCOTT.

'*Pinehill*,

Kodaikanal, S. India.

TO THE EDITOR, *The Madras Mail.*

XI

Industrial Development

I sent you a letter in June last, headed 'Why Governments Should Lend and Not Borrow,' but you evidently thought it best to omit the words 'and Not Borrow.'

I now see, from page 3 of your issue of 30th July, that the Department of Industries has been provided by the Government, presumably the Madras Government, with one lakh of rupees as a loan to 'owners and occupiers of arable lands for erecting or completing pumping installations for irrigating and improving their lands.'

Nothing is said about the security demanded or offered nor date of repayment, but the interest is mentioned as $7\frac{1}{4}$ per cent. per annum, which you think will enable the borrowers to obtain an increased yield 'in most cases' to cover this tribute and to leave a profit for themselves.

Seven and a quarter per cent. may seem a moderate rate to charge relatively to that demanded by local *sowcars*, and it is presumable that no bank would look at such business unless backed by some intermediary of good standing.

When I suggested that governments should lend, I explained that the process was in new money through the banks, who would guarantee repayment and thus enable the rate to be a low one; also that such loans should be against actual transactions, but not in advance of sales or of production of wealth. Such lending is inflationary credit with public money.

You also mention that a sum of Rs. 4 lakhs will be advanced through the same department in order to develop industries new to this Presidency or area; also to cottage industries up to 50 per cent. of the tangible assets belong to the borrowers already, and secured by a mortgage thereon; also that the tribute will be $6\frac{1}{2}$ per cent. per annum in such cases. When Government is able to borrow at, say, $4\frac{1}{2}$ per cent., it is good business for it to lend at $7\frac{1}{2}$ and $6\frac{1}{2}$ per cent., but the security is doubtful, redemption troublesome and the result uneconomic, since such advances merely tend to raise prices to the consumer by adding to the cost of the product and by putting spending power into immediate circulation, which may or may not enable the borrowers to get the extra yield into consumption at prices favourable to themselves later on. Larger crops often mean lower prices.

Such lending was probably prompted by political pressure from England, where it was suggested recently that the export of pumping machinery for developing Indian agriculture should be encouraged by the Government here, and our Viceroy has agricultural interests at heart.

Cottage industries are in a different category; it was, doubtless, to relieve unemployment that the scheme was sanctioned as a palliative or alternative outlet or opportunity.

There is, however, all the difference in the world between Government lending in order to encourage production regardless of consumption, and the financing of actual business done, at some reliable rate of discount, backed by undoubted surety from all parties to the bargain, including a bank of deposit.

Now there is reasonable ground for assuming that if new currency can be relied upon on known terms without limi-

tation except to individual borrowers, that the banks would, and could, extend their operations to cover such risks if approached by a co-operative local bank who knew the parties concerned.

But such accommodation would not be forthcoming until the product was in sight, i.e. through letters of hypothecation convertible into *hundis* or usance pro. notes from the buyers, as soon as sold, thereby extending credit to the buyers, and this credit could then be transferred to the State Bank by endorsement of such documents.

The exchange banks do this class of business for exporters pending shipment, and they negotiate their bills of exchange, drawn under letters of credit arranged in London by the importers there or elsewhere. Thus the buyer gets the credit, and the seller gets his money.

But outlay on new plant or for the purpose of developing industries can only be derived economically from money-savings by friends of the promoters, and such money would be forthcoming if and when the State ceased from absorbing such savings through the issue of public debt in any form.

There would, indeed, be no other outlet for them unless they found their way as deposits into the hands of *sowcars*, but that is another and longer story of secret and private local finance, leading generally to endless litigation.

The interests of the community are not served in any way by the *Sircar* acting as a *sowcar*.

'Pinehill,' Kodaikanal,
2nd August, 1927.

H. R. SCOTT.

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DISARMAMENT AND THE COOLIDGE CONFERENCE

BY

PROFESSOR P. J. NOEL BAKER

Author of *Disarmament*

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PREFACE

THIS pamphlet was originally written for *L'Esprit International* and appeared in the columns of that journal in October, 1927. It is now reprinted by the permission of the editors of *L'Esprit International*, and in particular of Dr. Earle B. Babcock and Monsieur Lechartier, Directors of the Carnegie Foundation in Paris, to whom the author desires to express his gratitude.

The Appendices have been added in the hope that they may clarify the argument of the pamphlet and may make available to those who would otherwise find it difficult to trace them the text of two of Mr. Churchill's declarations on the Coolidge Conference, and of the League of Nations Assembly Resolution No. 5 of September 26th, 1927.

P. J. N. B.

DISARMAMENT AND THE COOLIDGE CONFERENCE

CHAPTER I

INTRODUCTORY

It is seven years since the First Assembly of the League of Nations began the discussion of Disarmament. That discussion is still going on. The Assemblies, the Council, the Temporary Mixed Commission, the Co-ordination Committee, the Preparatory Committee for the Disarmament Conference have all played their part, but as yet without a definite result. The nations which are members of the League are still searching for the method by which they may fulfill their pledge to reduce their national forces "to the lowest point consistent with national safety and the enforcement by common action of international obligations."

Each year of this discussion has proved more clearly that in this matter of armaments, as in so much else, the authors of the Covenant were right. Each year has proved that Armament competition is a danger not only of the past but of the present; that unless Disarmament is brought about, unless the canker of international insecurity and distrust is removed by a general agreement to reduce and to limit military preparation by a binding Treaty, the mechanism of the

6 DISARMAMENT AND THE

League will not be strong enough to carry through the great tasks for which it was created. Each year, with the varying international crises it has brought, has shown that only such a collective act of faith will give reality to the new spirit of co-operation which we so often say has resulted from Locarno and the League.

In another way, too, the authors of the Covenant were right. For each year of the League discussions has shown that the difficulties of Disarmament are great: that there is no real hope that these difficulties can be overcome except through the sustained and systematic action of permanent international institutions for which Article 8 of the Covenant provides. It is safe, indeed, to say that had there been no League and no Assembly, the movement for Disarmament would have perished long ago. But happily it is also safe to say that, thanks to the persistence of the Assembly, the movement for Disarmament will not perish unless the League itself should perish. The failure of the Coolidge Conference, lamentable though it has been both in itself and in its consequences of various kinds, will not stop the work that has begun.

The Coolidge Conference must be viewed against the background of the unfinished discussions and negotiations of the last seven years. It was not the culminating point of these discussions, nor, as the Eighth Assembly has now shown, was its failure a final disaster to the cause. On the contrary, the Assembly by its

courageous action has made of it no more than an episode in the debate; an episode of great importance, which would, had it succeeded in any striking way, have brought further rapid progress in its train, but still an episode and nothing more. The failure of the Conference has meant delay; it may even mean that the nations must mark time until some of the more powerful among them have Governments with wider vision and firmer courage than those who now hold power. But the Conference will not have met in vain if the reasons for its failure are understood, and if the lessons which it should teach are marked for guidance in the future negotiations that will take place. The purpose of this essay is to discuss what these lessons are and what it is that the experience of the Coolidge Conference should teach.

CHAPTER II

THE POLITICAL METHODS AND PROCEDURE OF THE CONFERENCE

THE first group of suggestions that will be made relates to the methods and procedure of the Conference itself.

First, was it right to summon a Three-Power or a Five-Power Conference at all? Was not the initial and perhaps the fundamental mistake which President Coolidge made precisely that of cutting across the promising negotiations of the Preparatory Committee with an alternative device which, perhaps, owing to its restricted scope, never had any great prospect of success?

It is, of course, true, as President Coolidge was careful to point out, that any agreement his Conference might have made could have been fitted into the cadre of the General Treaty which the League Disarmament Conference will ultimately draw up. But that is not the point. The point is in the axiom that Disarmament "to be successful must be general"; that to give real results it must be accepted by all considerable powers and must deal with every kind of national force and preparation; that it is a single policy, whether it concerns navies, armies or air forces.

It is plain that the action of the three or the five great Naval Powers must of necessity affect the action of the Military Powers; that the whole world has thus an interest, direct and poignant, in the agreements which the Naval Powers may make, and that therefore it is wrong in principle to strive to isolate the naval problem from the rest.

Nor is this mistake of principle outweighed by any practical advantage. On the contrary, the accumulated experience of all League Conferences has shown that in grave matters such as these a general negotiation is not harder, but actually easier, to bring to success than a negotiation restricted to a group of three or four. That sounds like a paradox, but reflection will show why it is true. The "parliamentary" method of a General Conference, by fixing on intransigent or unreasonable delegations the full responsibility for failure induces in every person present a genuine and overpowering desire to agree. In

the case now in question, who believes that either the American or the British Government would have risked a failure if they had had to defend their action in a Conference representative not of three Powers only, but of the world at large ?

Second, even if the method of a restricted Three-Power Conference had been right, was it also right to hold its meetings in the secrecy which throughout the Coolidge Conference prevailed ? Was not this secrecy another of the causes, perhaps even the principal cause, of its collapse ?

In the Coolidge Conference only the Plenary Sessions were held in public ; of these Plenary Sessions from first to last there were only three : of these three there were none, so far as could be discovered from the Press, in which the Delegates did more than read written documents, dispatched to them and verbally approved by their Governments at home. The real work and real debate of the Conference was done by " Technical Committees " of naval experts sitting in strictest privacy, by gatherings of Delegates in each other's hotel bedrooms ; without order, without procedure, without plan, above all without publicity. It has been claimed that the Delegates did so much to consult the Press by outside interviews that the real " publicity " of the work was greater than that of any previous International Conference which there has been. No one with experience of international negotiation would admit the claim. The information given at such Press interviews can never make up for the exclusion of the Press from the sittings of a

Conference itself. It means, it is true, that all important facts leak out, that there are no real secrets of any kind, that the so-called "privacy" of the meetings loses all its point: but it means, too, not that the outside world will hear the truth, but that it will hear instead a multitude of varying and conflicting versions of the truth, from which distrust and misunderstanding of every kind arise.

There has, in fact, hardly ever been so little real publicity at any international gathering of modern times as there was at the Coolidge Conference. The public of all the countries principally concerned remained throughout in almost total ignorance of what occurred. At the end, not one educated Englishman in a hundred could give a coherent account of the various and very different proposals which were put forward in his name, still less of the arguments by which they were upheld. Not one educated American in a hundred could see the issues clearly, free from the prejudicing influence of the sinister and purchased propaganda of the "Big Navy" party and the armament firms.

Who can doubt that such a method of negotiation is wrong in principle, at least in countries where democratic government obtains? There is no question that touches so intimately the vital interests of the peoples as that of armaments. On such a matter, they have a right to know all that is said and done on their behalf. And what could there be in such a Conference as this that should be secret? The delegations were not

there to exchange or compare the professional mysteries of their respective fleets; they were there to reach a political agreement on the basis of known facts already published to the world.

And again there was no practical advantage to be gained by this lapse from principle. It is often argued that all important work is done in secret; that freedom of speech, frankness of approach, the spirit of give and take are all impossible if the representatives of the Press are looking on. The argument has a *prima facie* force that gains it credence. But, again, long experience at Geneva has proved it wrong. In public debate there is a greater sense of responsibility, a moderation both in substance and expression that is of immeasurable value in bringing different delegations to agreement. There is no loss of real freedom in using arguments that will bear examination in the light of day; there is no penalty on frankness, but, on the contrary, a premium on perfect sincerity of every kind; above all, there is the daily growing force of informed opinion supporting every honest effort to agree and thus rendering far easier the process of mutual concession, of genuine give and take upon which success in difficult negotiations must depend.

The experience of the Coolidge Conference lends powerful support to this contention. It is difficult to believe that if the debates of the Conference had been in public, the informed opinion of two countries between whom war is commonly regarded as "unthinkable," would have allowed their delegations to drift so far apart. It is diffi-

cult to believe that the arguments on which they parted would have been accepted by the public as conclusive if they had been met in public by the counter arguments of the other side. It is almost incredible that the vast store of latent and expressed goodwill on both sides of the Atlantic would have been allowed to waste away before the flood of misreports, misrepresentations and misunderstandings which secrecy produced. But thanks to the method that was actually pursued the inspired press reporters told us day by day of the "irritated" or the "angry" atmosphere of the debates, and every competent observer is agreed that there has never been another Conference in Geneva in which the atmosphere was in fact so bad. As a result the Coolidge Conference not only ended in a failure, but it left behind it a disastrous legacy of suspicion and ill-will. Who would have thought it possible before the Conference met that a well-known American author could write thus in so responsible a paper as the *New York World*?

"Let the United States, which is richer and stronger than any other nation, prepare such vast armaments that it will be irresistible. The Washington Conference was a great folly. It left England able to dream of tackling and butchering the accursed Yankees and opened the way for more wars."

These words were written by Mr. H. L. Meaken on July 24th.

CHAPTER III

THE TECHNICAL METHODS OF THE CONFERENCE :
EIGHT-INCH GUNS, PARITY AND TOTAL TONNAGE

A SECOND group of points relates to the technical preparation of the Conference and the technical method which it pursued. In both respects the Conference left almost everything to be desired.

The work of the Preparatory Disarmament Committee of the League—work by no means so unsuccessful as the opponents of Disarmament would fain believe—has shown that in the preparation of a Treaty for a voluntary reduction and limitation of national forces there are three main problems to be solved.

The first concerns the *factors* in armed strength to be dealt with—man-power in service and reserve, armament in service and reserve, standing fortifications, budgetary expenditure, and so on—and the methods by which an effective limitation of each selected factor can be made; in other words, the technical framework or skeleton of the Disarmament Treaty.

The second concerns the *proportion* of armed strength to be established by the Disarmament Treaty between the different signatory powers: what has been called for short the “Ratio.”

The third concerns the *level* of armed strength at which the agreed ratio shall be set up: the reductions from, or increases in, existing strength that can or must be made.

It will not always be possible in any disarmament negotiation to keep these three problems

rigidly apart; the Coolidge Conference showed on more than one occasion how much they must affect each other. But the Coolidge Conference also showed, as the work of the Preparatory Committee had shown before, that it may on some occasions be most desirable to keep them apart as far as possible; that the more they are kept apart, and the more each is dealt with as a separate problem on its merits, the greater will be the chances of success. At the Coolidge Conference, no organised attempt was made at any stage to separate these different aspects of the matter, or to take them point by point. That was a real weakness; for at this Conference the first two points ought really to have given no trouble at all. Yet in fact, owing largely to the muddled and haphazard method that was pursued, they gave a lot of trouble and thus prevented proper concentration on the vital problem of the third.

Consider some of the results of this confusion; and to begin with, an example that concerns the first of the above three points, the *technical framework* of the Treaty. It is an accepted principle on which the Preparatory Committee have always been agreed that the first part of their task is to prepare and to draw up in blank the technical framework of the Treaty into which the subsequent Disarmament Conference when it meets can insert the necessary figures. There can be no doubt that in this the Committee are right; that agreement on the technical framework would vastly facilitate agreement at all later stages. Indeed it may well be held that such preliminary

agreement is an indispensable condition of the success of any General Disarmament Conference. The Committee have in fact made considerable, if not wholly satisfactory, progress in drawing up a draft skeleton Treaty of this kind; in settling, that is to say, the factors of armed strength to be dealt with and the treaty method by which an effective limitation of these factors can be made. But, unfortunately, it was precisely on Naval Armaments that in their meeting in March, 1927, the Committee had not been able to agree. Had this not been so, had the Coolidge Conference found ready for them a complete framework of a Treaty covering all those classes of warships with which the Washington Convention had not already dealt, had their task been restricted to filling in the figures in this framework, there can be no doubt that great difficulties would have been avoided.

But although the framework of their Treaty was not ready for them, the Conference should, it may be thought, have had no difficulty in drawing it up. For one thing, the problem in naval armaments ought to have been comparatively simple. Moreover, were they not all bound by the Washington Convention? Would not its clauses serve as a tested and comprehensive model? Unfortunately, the British Admiralty at least had no intention of doing again what had been done at Washington. The two essential features of the Washington Convention were the scrapping of existing capital ships and the total abandonment of all projected programmes of new capital ship construction. But the British

Admiralty did not intend, if they could help it, to scrap any further ships of any kind, nor to give up the programme of cruiser-construction for which the Government's sanction had been obtained. No doubt it was for this reason that the draft Naval clauses which the British Admiralty proposed as their contribution to the work of the Preparatory Committee in March, 1927, were so vague as to be wholly worthless. And since this was their intention, it followed that the bulk of the Washington clauses could not be used as an agreed model for the new general supplementary Treaty that was required.

But even if Washington had supplied no model, still, it may be thought, there should have been no difficulty in agreeing on the factors and the framework, since all three participating powers had been on the same side in the Naval discussions of the Preparatory Committee in upholding "Limitation by Classes" against the "Total Tonnage" proposals of the French. But unfortunately their general adherence to the principle of Limitation by Classes did not solve all the problems that arose; there was no agreement among them, as the Conference showed, about what the different classes ought to be, or about the limits to be placed on the maximum tonnage and gun-power of the units permitted in each class.

It was, indeed, largely a disagreement, at a late stage, on these very points that brought about the final break-up of the Conference. This fact makes obvious the advantage there

would have been in dealing with them first as a technical preliminary to be got rid of before any questions of ratio or total tonnage were taken up. It would then have become apparent to the American public at the very outset that the American Navy Department were adopting on these points a policy which it was impossible reasonably to defend. The British proposed that capital ships for replacement should in future be 30,000 tons and armed with 13.5-inch guns instead of the 35,000 tons and 16-inch guns which the Washington Convention had allowed. That was a modest proposal, but at least it was in the right direction. The Americans virtually refused to discuss it, and in the general confusion of procedure rode their refusal off by attacks on the total cruiser tonnage proposals of the British. Likewise the Americans opposed reductions which the British had proposed in the size and armament of cruisers, of flotilla leaders, of destroyers and of submarines: they forced the limit for flotilla leaders up to 1,800 tons, although they have themselves at present no such vessel of more than 1,250 tons displacement. The British proposed a substantial increase in the length of life of every class of vessel; these increases the Americans opposed. In all this they were plainly wrong, if disarmament was the purpose for which the Conference was called. Reductions in the size of warships and their gun-power mean economy, elimination of new competition in replacement building, a diminution of aggressive power and a reversal of the

process of naval expansion which has created the hideously inflated¹ naval monsters of to-day. On every point the Americans were against the objects for which the policy of disarmament is desired.

But most of all they were wrong on the point on which the Conference ultimately broke down—the 8-inch gun. The British claimed that 8-inch gun cruisers should be dealt with as a separate class, and should be limited apart from the general body of light-cruiser tonnage. They argued that the ship which carries 8-inch guns is in reality in a different class from the ship which carries only 6-inch guns, whatever formal name they may both be given in Navy Lists; in a different class, for the simple reason that the 8-inch gun is *two and a half times* as powerful as the 6-inch gun, and the 8-inch gun cruiser can, therefore, blow to destruction, without danger to itself, any 6-inch craft with which it may come into contact.¹ Mr. Bridgeman, no doubt, went absurdly far when he tried to claim that the 8-inch gun was “aggressive” and the 6-inch gun “defensive.” A 6-inch gun can be aggressive enough when there is nothing larger near, and all Englishmen are too ready to forget that a blockaded foreigner regards the blockade, in which the 6-inch gun cruiser may greatly help,

¹ The fact that in modern naval fighting gun-power is absolutely decisive is shown in a manner likely to strike the public imagination in the film of the Coronel and Falkland Island battles, in which first British and then German vessels are destroyed by ships of greater gun-power without being able to defend themselves in any way, or to inflict any casualties at all on their enemy.

as an operation of the most aggressive kind. No doubt, too, Mr. Gibson scored heavily when he asked why, if 8-inch gun cruisers were "aggressive," Great Britain had set the pace in their construction and had done so to such a tune that she has now five of them actually in commission, six in construction and others projected, while the U.S.A. have *none* in commission, and only two in construction. It is true that the Washington Conference had fixed as a maximum size and armament for cruisers 10,000 tons and 8-inch guns; that all the Admiralties were *considering* their construction; that the Japanese in 1925 (a year after the British started their construction) laid down a couple.⁸ But it is none the less legitimate to argue, as some critics have done, that by plunging, before anybody else had begun to do so, into a large programme of these super-cruisers, the British Admiralty were not only guilty of forcing the pace in a new and dangerous form of competition, but that they repeated on a lesser scale the appalling blunder which they made in 1906, when, by producing the "Dreadnought," they rendered obsolete the entire battle fleet through which, till then, Great Britain had had an overwhelming superiority on every sea. Their desire to limit 8-inch gun cruisers at the Coolidge Conference was, if you chose so to regard it, no more than a desperate attempt to retrieve that blunder. Had they not previously forced the pace in building 8-inch gun cruisers, their plea for their rigid limitation would have had a wholly different force.

But two blacks do not make a white : the fact remains that 8-inch gun cruisers are in a different class from 6-inch gun cruisers, and if there is to be stability and an end to competition in naval armaments, there should be a separate limitation in the Disarmament Treaty for each class. The American delegation threw over at the Coolidge Conference the very principles for which it had argued with great force in the Preparatory Committee a few months before.

It was largely on this minor (though, of course, important) point that the Conference came to grief. Who believes that the American public would have allowed it to do so if the 8-inch gun question had been dealt with, not in a confused general discussion at the very end, but in its logical order as a technical preliminary to be settled at the start, and before the whole atmosphere of collaboration had been destroyed by irritation and misunderstanding of every sort ?

Take another example of this confusion, an example which concerns the second problem in the making of a voluntary Disarmament Treaty—the problem of the *ratio* of strength to be established among the Signatory Powers. Again the Conference suffered severely from the haphazard technical method which it pursued. So far as can be ascertained from Press reports, there was at no stage any organised discussion of the ratio as a separate point. At the outset the Japanese proposed the ratio of the status quo; the Americans proposed the Washington Convention ratio of 5:5:3 ; the British proposed no

ratio at all and even appeared to indicate in their original proposals—the language used was far from clear—that they meant to have no fixed ratio in light 6-inch gun cruisers, but that, on the contrary, they meant to keep their hands free to build as many as they liked.¹ Whether for this reason or because of the language used by some British Ministers at home, a belief obtained for some time in American circles that the British Admiralty desired not to accept the principle of the equality of power between the British and American fleets. That there was a section, at least, of the British Cabinet which, in fact, desired not to do so has since been proved by the post-Conference speeches of Mr. Winston Churchill.² The doubts of the American delegation on this point very naturally created friction which jeopardised the whole work of the Conference; while in the U.S.A. they did untold harm by the creation of ill-will. When the Conference was a month old the Hearst Press informed its readers that the British Ambassador had “formally notified the State Department that his Government is firmly resolved to have a mightier navy than that of the United States.”

Had there been a frank public discussion of the Ratio at the proper moment, that is to say, as soon as the preliminary problem of the technical framework had been solved, the British Delega-

¹ *Vide* Mr. Bridgeman's speech on the opening day of the Conference (*Times*, June 21, 1927). *Cf.* also Mr. Winston Churchill's speeches delivered, after the Conference was over, on August 7th and September 4th (*vide* Appendix I).

² *Vide* Appendix I.

tion, if they had desired to reach agreement, would have been compelled at once to make it clear that they did not intend to depart from the principle of "parity" of strength to which their Government had agreed in respect of capital ships in 1921. Mr. Bridgeman, gaining presumably a temporary victory over Mr. Churchill, did actually make such a declaration at a later stage¹; but had he been compelled to face the issue at the very start, who can doubt that British opinion would have overwhelmed the Churchill party, and that thus one of the complicating difficulties of the Conference would never have arisen at all?

Had these two first problems been rapidly and easily disposed of by the Coolidge Conference, as they should have been, there would have remained only the third and vital problem of the level at which naval forces should be fixed. This, of course, must be the crux of any Disarmament Conference, the test by which its success or failure must be mainly judged. And here, again, there was a conflict of opinion between the British and American delegations; a conflict which in the end was almost settled, but in which none the less must be found perhaps the chief cause of the failure with which the Conference broke up.

Consider for a moment the various proposals with which in this connection the Conference had to deal.

The Japanese proposed in all respects the maintenance of the existing status quo; stabilisation at the present level. In subsequent negotia-

¹ Vide Appendix I.

tions they showed, however, that they would willingly have made reductions if the other powers had genuinely desired them.

The Americans proposed to leave capital ships untouched until 1931, the date fixed for the revision of the Washington Convention, and to limit the total tonnages in other classes in the following way :

Cruisers.

United States	...	250,000	to	300,000	tons
British Empire	...	250,000	to	300,000	tons
Japan	...	150,000	to	180,000	tons

Destroyers.

United States	...	200,000	to	250,000	tons
British Empire	...	200,000	to	250,000	tons
Japan	...	120,000	to	150,000	tons

Submarines.

United States	...	60,000	to	90,000	tons
British Empire	...	60,000	to	90,000	tons
Japan	...	36,000	to	54,000	tons

The British proposed to reduce the size of all future ships and to lengthen their life, as above described ; they spoke of limiting the " numbers " of submarines, destroyers and " possibly " cruisers, but they made no proposals at the outset for total tonnages. On July 8th, however, a communiqué was issued in which it was said that the British had explained to the Conference that, as the result of the work which the Technical Committee had done, the British " requirements " (note the word) could now be stated. They were as follows :

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<i>Cruisers.</i>			<i>Tons.</i>
15	8-inch gun cruisers, nominally of 10,000 tons each	150,000
55	6-inch gun cruisers, nominally of 7,500 tons each	422,000
Total tonnage for cruisers ...			572,000

<i>Destroyers and Flotilla Leaders.</i>			
16	Flotilla leaders ... ..	...	29,600
128	Destroyers ... ..	...	192,000
			221,600

Submarines.

40-45 of 1,600 tons

15-20 of 600 tons, i.e. 76,000-81,000 tons.

It should be noted that the British delegation did not propose actually to build up to these total tonnages; many of their 55 cruisers, for example, would, in fact, at any rate in the early years of the Treaty, be smaller than the new 7,500 ton maximum proposed. But they demanded freedom to reach these totals if, when the Treaty came into force, they so desired. Thus their total demands in all these classes together, according to this communiqué of July 8th, amounted to 874,600 tons.

Now these British proposals were put forward, on July 8th, as "requirements," that is to say, as minima founded on strategical considerations which could not be reduced. Under the

pressure of the Conference, however, they were all reduced, except the *number* of the cruisers, which remained at 70. When the Americans refused to accept their general scale, the British brought forward (on July 28th) a revised proposal, which was as follows :

Cruisers and Destroyers together	500,000 tons
Submarines	90,000 tons
plus 25 per cent. of "obsolete" vessels (i.e. vessels older than the ages prescribed in the Treaty to be made)	147,000 tons
Total for all classes together ...	<u>737,000 tons</u>

This second British proposal involved a real reduction of 137,000 tons from their first; not more, because the "obsolete" vessels which they reserved the right to retain could in any case almost certainly not have been replaced before the termination of the first period of the suggested Treaty in 1936.

These two British proposals of 874,600 tons on July 8th and 737,000 tons on July 28th must be compared, first, with the American proposals, and second, with the actually existing tonnage which the British Navy has in commission and building at the present day.

The American proposals, at their lower limits—and of course the British could have got these lower limits had they so desired—would have given a total for Great Britain and the U.S.A.

in all these classes together of 510,000 tons—227,000 tons below the second and lower British offer.

The existing tonnages ~~of~~ the British Navy at the present-day—including units under construction, the completion of which, it had been hoped, the Coolidge Disarmament Treaty would have made unnecessary—are as follows :

Cruisers (large and small together).

	Tons
48 in commission	255,000
14 building ...approximately	100,000
	355,000 ¹

Destroyers.

17 Flotilla leaders	} approx.	230,000
178 destroyers ...		

Submarines.

65 of various sizes, approx. ...	68,000
----------------------------------	--------

This gives a total for the three classes of 653,000 tons of ships now built and building. Thus the British proposed in this New Treaty of Naval Disarmament, specially designed to deal with these smaller classes, no *decrease*,

¹This calculation of "existing" cruiser tonnage is based on the information contained in the 1927 League of Nations Armaments Yearbook; that is to say, on information supplied by the British Government itself. The figure of 387,000 tons of existing cruiser tonnage was freely quoted during the Coolidge Conference; this total can only be made up by counting as "existing" ships which are only "projected"—surely an unacceptable procedure. Even among the 14 cruisers counted as "building" there are a number on which very little work has been done, and, which, therefore, it might have been hoped that we could scrap.

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but on July 8th an *increase* in their existing tonnage strength of 220,000 tons, and later an absolute minimum increase of 84,000 tons.

Now if the technical procedure suggested by the work of the Preparatory Committee had been followed, and if the questions of the technical framework of the Treaty and of the ratio had been disposed of first, attention would then have been concentrated on the real point of substance that was in conflict, this question of the level at which naval forces should be fixed. The British public would then have been compelled to face the fact, as it never really did, that the United States Government, with the power to outbuild Great Britain at every point if it desired to do so, was proposing limitations at a level which would mean a substantial reduction in the naval forces of the present day, while the British Government was proposing limitation at a level far in excess of the forces which both they and the other Powers actually have. The first British proposal would have meant an increase in these smaller classes of vessels of approximately 35 per cent. for Great Britain herself, and of course, far more for the United States if she built up to the permitted scale; the second would have meant an increase in standing British forces of 12 per cent. How many Englishmen ever envisaged the issue in this simple way? Would British public opinion have remained unmoved had there been effective public international debate on this single vital question, as it has just been defined?

Perhaps, too, if the discussion had taken this

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course the British public might have been led to examine more closely the other parts of the much-vaunted scheme of economies which the British Admiralty proposed. Mr. Bridgeman told the Conference on more than one occasion that our proposals for the reduction of the size and the lengthening of the life of capital ships would have saved the British taxpayer more than £50 million. He did not go on to say that these economies would not begin until 1931; that they would be spread over a period of ten to twelve years, giving thus an average annual saving of perhaps £4½ millions; that against this saving there must be set the increased cost of construction and the annual maintenance for the additional cruiser tonnage which he intends to build, an increase in cost almost certainly greater than the £4½ millions he would save. Nor did he repeat to the Conference what previous British delegates have said: that there is no hope of reducing the British Army, and little of reducing the British Air Force, much though the British Government might wish to do it; that therefore the only considerable contribution which the British Government can make to world disarmament is by the reduction of the fleet; that even if Mr. Bridgeman made his full saving of £4½ million per annum, it would only be under 4 per cent. of the present British Armament Budget of £118 million. Nor did he explain that his full saving would still have left Great Britain spending, *at 1914 prices*, at least as much as she was spending for defence in the year before the

war; that in spite of the League of Nations, in spite of the pledges of the Treaty of Versailles, in spite of Locarno pacts, in spite of the fact that the German fleet is at the bottom of the ocean, in spite of the fact that the Admiral Sir Frederick Field explained to the Coolidge Conference "there is at present no fear of war,"¹ the burden of the British taxpayer is heavier to-day than it was on the eve of Armageddon.

This, therefore, was the conception of Disarmament with which the British Government went to the Coolidge Conference; this was all they thought could be achieved before their scheme should terminate in 1936. They had no compensating plans for wholesale cuts in existing battle-fleets, nor even for cuts in submarines; they only had this sterile programme of "requirements." Had the Geneva discussions brought these fundamental facts to the blazing light of day, had they thrown into relief the really vital issue that was at stake, British opinion might have played a hand in bringing its Government to seek a better compromise arrangement with the United States. For it is a fundamental fact in the present situation that beyond all question the British people desire a real disarmament and all it means.

CHAPTER IV

THE BRITISH DOCTRINE OF "REQUIREMENTS"
LAMENTABLE as were the methods of the Coolidge Conference, disastrous as was its failure to

¹Vide *Times*, June 22, 1927.

concentrate attention on the vital points, the principles on which its discussions were conducted were more disastrous still. The worst result of the whole Conference was that it secured for these principles a wide acceptance in the two great countries principally concerned. While they persist, no disarmament worthy of the name can ever come about.

The principles of the Covenant in respect of armaments are, first, that Member States no longer rely on their own unaided efforts for their national security, but that on the contrary¹ they rely as well on the mutual guarantees against aggression by which they are all bound; second, that a simultaneous reduction of potentially hostile forces is in itself a most important factor in promoting the security of each disarming state. Neither of these principles, proved by all the discussions of the seven previous Assemblies, of the Temporary Mixed Commission and of the Preparatory Committee to be vital to any profitable result, was ever mentioned at the Coolidge Conference from first to last.

Instead the United States delegation were content to explain that if their proposals were not accepted they could and perhaps would build the largest navy in the world. They never attempted to justify this threat, nor to face the fact that by all the accepted canons of political morality, the Kaiser had a far better case for

¹ Cf. also Resolution of the Eighth Assembly, Third Committee, Resolution v, 1 (third paragraph), accepted by the British delegation on September 26th, 1927 (*vide* Appendix III).

building up the German fleet before the war than the United States Government can make for its naval power to-day. An American publicist of high standing, Mr. Frank H. Simonds, has roundly declared that their naval programme "is based not upon potential dangers, but upon national pride." The American delegates never suggested that in this proposition there was anything which it was necessary to defend.

For their part, the British delegation smashed the Conference by the rival principle of what they called "requirements." This novel doctrine, in open conflict with every axiom accepted about disarmament hitherto, is the accepted principle, it has been said, on which the whole of Admiralty policy is now built up. At this astounding Conference it was never challenged until the very last speech that was delivered before the Conference broke up. Then Mr. Gibson did indeed declare, what throughout had been obviously true, that its acceptance would "render impossible any effective naval limitation by international agreement." But in Great Britain it still holds almost undisputed sway, and it is supremely important, therefore, to examine what it means.

It was only in respect of the *number* of cruisers that the principle of "*requirements*" was obstinately pressed. On other points, as has been shown above, the requirements originally demanded by the British were considerably cut down. But the demand for a minimum of *seventy* cruisers was maintained resolutely, and at the cost of failure, to the bitter end.

The claim was based on an Admiralty doctrine most elaborately explained. Great Britain, it was argued, has never more than seven weeks' food ; it depends absolutely on overseas supplies ; these supplies come from her possessions and from foreign countries in every quarter of the globe ; the trade routes which her merchantmen must traverse are 80,000 miles in length ; on April 1st, 1926, there were 9,500,000 tons of British shipping scattered on every ocean on these various routes ; unless they are protected by British cruisers these merchantmen will be liable to attack, and the vital arteries of the Empire will be cut. As Mr. Winston Churchill phrased it : " We feel that our island Empire is dependent for its inherent and integral existence, and indeed for its daily bread, upon our power to keep open the paths across the ocean. If these paths could be closed at the will of another nation, the united life of the British Empire, and even the independence of its various parts, would no longer rest in our own keeping." Irrespective, therefore, of whatever other nations may do by way of naval preparation, Great Britain must have a fixed minimum number of cruisers for this protecting work. The figure 70 is arrived at by the following process : 25 cruisers are required for service with the battle fleet ; 12 will be, on the average, at any moment fuelling or refitting ; the remaining 33 will allow one cruiser for every 2,500 miles of communication. That, it is said, is the smallest number with which the work of trade protection can be done.

It must be specially emphasised that this figure was demanded as an absolute "requirement," needed whatever other Powers may do. Reciprocal reductions of the cruisers of potentially hostile Powers would not reduce our total. With seventy (or thirty-three?) units in our patrolling force, we might hope to have "security"; with less we assuredly should not.

Let us examine this contention that a fixed minimum force of cruisers will bring security, will enable us, in Mr. Churchill's language, to ensure that "the paths of the ocean will not be closed at the will of another nation."

It is easy to understand that the British Admiralty still thinks, as it has always thought, in terms of its scattered naval bases; that it desires to have, as it has always had, a certain minimum of cruisers based on each; that even if the number on any given station be very small, yet to them it must seem to be incomparably better than none at all. Not only British Admirals, but Britishers in the street, will have instinctively a comfortable feeling if they know that on every sea throughout the world there sail some British ships.

But has that comfortable feeling any real connection with "security"? Can a force of thirty-three patrolling cruisers really ensure that the paths of the ocean will not be closed in time of war at the will of another nation? That, and not our instinctive feeling, is the point that really counts.

Security in this sense—and it is the sense in

which the British Delegation to the Conference always used it—means that British sea-borne commerce must be immune from attack both on the open ocean trade-routes and in the narrow seas that surround the British Isles. It must be immune from attack by all the weapons that will be used in any future war ; the battle fleet of the enemy, his cruisers, his disguised raiders, his submarines, his aircraft.

Let us examine how the force of seventy cruisers will achieve this security in any future war. We must assume, of course, the sort of war for which the Admiralty prepares ; not a war against Guatemala, not a war with all the other Members of the League on our side, but a war in which the Navy would be engaged both in European and in Pacific waters, and in which Japan, say, would be among the States allied against us.

Lord Jellicoe was the chief spokesman at the Coolidge Conference on the functions which the seventy cruisers would perform. It is worth while to quote his argument at some length :

“ On the outbreak of the Great War we possessed 114 cruisers, and, in spite of the fact that Germany had only two armoured cruisers, six light cruisers, and four armed auxiliaries outside the North Sea, our losses in merchant ships due to the action of these German vessels exceeded 220,000 tons and Allied losses to 30,000 tons before they were finally disposed of.

“ The great majority of our early losses were due to the operations of the *Emden*, *Karlsruhe*, and three armed auxiliaries. Later in the war three disguised German raiders accounted for 250,000 tons of British and 39,000 tons of Allied shipping . . . We usually had warning of anticipated attempts of a raider to leave German ports for attack on our trade; over 50 per cent. of the raiders which did make this attempt succeeded in evading our watching cruisers. Two were sunk in the attempt, namely, the *Greif*, and a vessel whose name was unknown. It is, too, to be remembered that all raiders which attempted the return passage to German ports succeeded in evading capture when re-entering the North Sea. . . .

“ There is yet one other point of importance in connection with trade protection and our war experience. During the Great War Great Britain was very favourably placed geographically for preventing exit of raiders from German ports, whether cruisers or disguised merchant ships. I have mentioned my difficulties as Commander-in-Chief of the Grand Fleet in that connection. But the fact remains that, with the single exception of war with a Mediterranean Power, the difficulties of the British Navy in preventing the exit of raiders from a port of any other nation *would be multiplied a thousandfold. Indeed, by no conceivable means could such an exit be prevented.* The result must inevitably be that we should have to deal with raiders in far

greater numbers than in the late war, and this fact alone makes it all the more imperative that the number of our cruisers should be adequate for work that would fall upon them."

Lord Jellicoe further explained that at various times seventy different British ships chased the *Emden*, that at a single moment twenty-nine were on her track, and that nevertheless she continued for a considerable period to elude them and to carry on her work of destruction.

Now it must be noted that Lord Jellicoe only claims that cruisers are needed as a measure of protection against hostile cruisers and "raiders"; he does not speak of submarines or aircraft. But even in respect of cruisers and raiders only, what is the inevitable conclusion from his array of facts? Surely that in commerce-destroying operations the odds are very strongly with the raiding as against the defending craft. That, indeed, is the very basis of his claim for seventy cruisers. But what follows from it? That true security, that real immunity from attack, lies not in *increasing* the numbers of defending units, but in *decreasing* the numbers of the units that may attack. If one raiding cruiser has an unequal chance of success against one defending cruiser, seventy raiders will have the same advantage against seventy defenders. No strategical ingenuity can defeat that plain arithmetic. In general it has always been admitted by everybody that, *ceteris paribus*, every reciprocal decrease in armament increases the security of the peoples that disarm; Lord Jellicoe's argument only

serves to show that that general proposition is particularly true for peoples who depend on vital supplies from overseas.

There is, moreover, another reason which makes this contention apply with especial force to the British case ; it is that every reduction of potentially hostile naval forces brings nearer the point at which armed British merchantmen can serve as defensive ships against attack on sea-borne commerce. Suppose that organised navies were abolished altogether, Great Britain would henceforth be supreme. The point has been put by a distinguished naval writer, Mr. Stephen King-Hall : " Granted that all warships were destroyed, the British Empire would automatically enter into a state of potential mastery of the sea transport of the world, such as it has never had in the past and is not likely to be allowed to have in the future. . . . In such a case as soon as a war broke out a nation such as the British with a strong sea spirit and half the merchant tonnage of the world under its flag would rapidly improvise a battle fleet of armed liners capable of dealing with the combined fleets of Europe, if not of the world! "¹

Clearly, every decrease in potentially hostile warships can only bring so much nearer the advantage to be thus gained.

So far, therefore, the conclusion seems plain : security can be best obtained not by the increase of British cruisers, but by the reduction of the hostile craft that may be brought to the attack.

¹ *Vide Imperial Defence*, p. 183.

Is this conclusion affected by the new system of cruiser-convoy which the last war introduced? Not in the least. For, as Lord Jellicoe has shown, the convoying cruisers would of necessity be scattered by twos and threes and fours throughout the world; any hostile force of six or eight equal ships would wipe them out. The convoying cruisers could *not* be concentrated; the attackers could, and the advantage accordingly remains with them.¹ To take a practical example, how would the British cruisers which the Admiralty could spare for the Pacific at the beginning of a war—probably twenty at the most—fare against the forty-five modern cruisers which under the recent British Admiralty proposals the Japanese would be able to bring to the attack?

But, of course, the greatest danger to British sea-borne commerce lies now not in hostile cruisers and commercial raiders, but in hostile submarines and aircraft. The *Emden* and its colleagues sank half-a-million tons, but German submarines sank over seven million. As for the aeroplanes, one of the greatest of British airmen, General Groves, has warned us in the last few months that all surface-craft within 500 miles of hostile shores would be within reach of attack by shore-based aeroplanes. He concludes that “we can no longer command the narrow seas and home waters of Europe, nor can we ensure, as in the past, the safe passage of our shipping through

¹ There were examples of this in the North Sea during the war. Cf. *Times*, October 17th, 1927, for an account of a successful German attack on a convoy.

the Mediterranean.”¹ Must we not remember that France has 5,500 military aircraft, Italy, 1,500, Spain 600?

Consider now the practical results of the British adhesion to the “requirements” doctrine. Let it first be said that it is possible to admit that there are two senses in which the doctrine has a valid force: First, there must be a minimum number of warships in the world belonging to civilised powers sufficiently great effectively to prevent piracy against British or other merchant ships. That is a real “requirement,” to which no one can object. Second, a power with a great quantity of merchant shipping and dependent on sea-borne supplies has plainly a strong moral claim to a high ratio of naval strength as against other naval powers. But it is not possible to go on and argue from this basis that the requirements doctrine can affect the advantages to be secured by Great Britain from reciprocal international reductions of armed forces. On the contrary, the requirements doctrine can have no reasonable meaning, as an argument against such a policy of reciprocal reduction, and the advantages to be gained from its adoption by Great Britain are particularly great, for the very reason that she depends on vital supplies that are brought from overseas.

And think now of the practical results of our adhesion to the doctrine. It would not have brought any decrease in potentially hostile craft, but on the contrary a mighty increase.

¹ *Vide* Journal of the Royal Institute of International Affairs, May, 1927, p. 149.

It would have enabled the U.S.A. and Japan to build a great additional number of modern cruisers of the latest type; French naval writers have welcomed it with joy as justifying the completion of their programme for 327,000 tons of cruisers¹; the Italians will now certainly accept no less a total tonnage than that. Not only so, but the British programme will ensure that there will be in future more submarines, and very many more submarines, than there have ever been before, which may be turned against British merchantmen at sea. There will be submarine fleets beside which the German fleet of 1917 would look puny. The programme has the further disadvantage that it makes it virtually impossible to hope for any real reduction of armed forces either on land or in air. If Great Britain will not reduce at sea, who else will reduce in the weapons in which they happen to be strong? The Air Forces of the world—the greatest of all dangers to Great Britain, and a danger against which there is no adequate defence—may be almost indefinitely increased. Against them the seventy cruisers cannot help. Yet for their sake we seem to be determined to render almost indefinitely remote the hope of any real reduction in armaments of any kind. And with cruisers, raiders, aircraft—and perhaps even with submarines as

¹ Cf. especially M. Leygues, French Minister of Marine, reported in the *Times* of July 8, 1927; and M. Jacques Seydoux reported in the *Times* of July 27, 1927 as saying: "It is to our interest that England should get satisfaction, for the more cruisers she gets, the more we can have ourselves."

well—the odds are with the attacking force. Was there ever such a doctrine of security before ?

CHAPTER V

CONCLUSION

It would be wrong to press the argument against the Admiralties too far. It is clear that both the American and the British experts went into the negotiations with the best intentions. The Americans started from a principle which would justify every nation in the world in keeping up the maximum military preparation which its finances could sustain. Yet they proposed a plan that might have meant a large reduction in the burden which Navies actually impose. The British started from a principle that would have justified a demand on their part not for seventy, but for three hundred cruisers. When Lord Jellicoe claimed with fervour in the Conference that their demand was moderate, he was demonstrably right. From their point of view, on the principles which they propounded, and which until the last minute of its existence the Conference never challenged, they were moderate almost to the point of folly. But it was precisely their point of view, their principles, that were wrong.

It is said that Clemenceau remarked in 1915 that the War had become too serious to be left to Generals. The same is true of the problem of national security to-day. The British were so far right

in the Coolidge Conference, that disarmament must be debated with security continually in mind. But security is a political, not a military, question. Military preparations, be they as perfect as any staff desires, be they supported by alliances and combinations of whatever kind, can never give more than relative security for a certain time. Only international political co-operation can give the true security which the world now imperatively demands.

Above all there can be no real security in the British doctrine of "requirements," in the conception that a nation can obtain security for itself by any fixed minimum of armament which it may create. That is the "Himalayan falsehood" on which, in the last analysis, the Coolidge Conference broke. By some hypnotic process, Englishmen who would reject it for any other kind of armament, have accepted it for cruisers. But it is as false of cruisers as it is of battleships or tanks. Lord Balfour himself at the Conference of Washington in 1921 explained to the French that if they carried through their programme for 90,000 tons of submarines, the British cruiser programme would be increased. The minutes of his speech are there to prove that in cruisers we have no absolute requirements, that our armament must depend, as every other kind of national armament depends, on the rival preparations which other countries make.

The doctrine of "requirements" is important, not only because it smashed the Coolidge Conference, but because, if it be accepted, it will smash

any future Disarmament Conference that may be held. It has already been produced since the Conference to defend a vast increase in aerial forces. Every nation will soon find counter-applications of it to suit its own peculiar situation, and every hope of a real Reduction Treaty will disappear.

These, then, are the lessons of the Coolidge Conference. The method of Tripartite negotiation must be abandoned; the method of general negotiation through the permanent machinery of the League of Nations must be resumed. The problem of national Armaments must be dealt with as a whole; naval forces cannot usefully be taken alone. Negotiation must be conducted in the light of day, for in publicity—the true publicity of public day-to-day debate—lies the best hope of real success. Military experts must be called in to the deliberations to advise, but they must not be permitted to control. The dictates of strategics must be measured by the plain canons of commonsense; the principles of the Covenant, the political security of which it gives us hope, must be substituted for the mirage of a military security to be won by battalions and guns. Above all, the disarmament for which we strive must not be the permanent stabilising of the forces which the nations in their pre-1914 madness had built up; it must be, perhaps by progressive stages, yet, in the end a real and drastic reduction to a level that will destroy the fear of aggression and so create real international confidence and trust.

If the Coolidge Conference serves to teach these lessons, if its failure serves to jolt the slumbering conscience of mankind, then perhaps its bitter experience will not have been in vain.

APPENDIX I

“PARITY”: THE GOVERNMENT'S TWO VOICES

Mr. Bridgeman's Declarations.

It was reported in the Press on June 30th, 1927, that Mr. Bridgeman and Lord Cecil had given assurances to Mr. Gibson that the British Government were prepared to accept “parity” in the strictest senses in every class of warship. In consequence of this announcement, the following message from *The Times* Washington correspondent appeared on July 1st:

“Washington, June 30th.

“Deep gratification that ‘misapprehension had been cleared away’ was expressed by the Secretary of State, Mr. Kellogg, this morning on the receipt of a Geneva despatch from Mr. Gibson, chief United States delegate to the Naval Limitation Conference, telling of assurances from Mr. Bridgeman and Lord Cecil that there was no question in their minds or that of the British Government that the United States was entitled to absolute parity with Great Britain and that the negotiations should be conducted on that basis.”

That there was no ambiguity in the use of the word "parity" and that it meant "mathematical parity," i.e. exact numerical equality in every class of ship, is proved by the following message from *The Times* correspondent in Geneva, published in *The Times* on July 12th, 1927 :

"Geneva, July 11th.

"Much interest was aroused here by the despatch from your Washington Correspondent (published in *The Times* on Saturday), in which he expressed his surprise at the way in which the British Ambassador's words had been misrepresented. It happened to coincide with a declaration by Mr. Bridgeman, reported by me from a shorthand note taken at this meeting: '*We have never disputed the right of America to parity in all ships.*' He was amazed to find himself reported in the *Chicago Tribune* as having 'clarified Great Britain's position' and stated plainly that the English Admiralty intends to maintain the crushing superiority in cruisers."

This view is further supported by a speech made by Mr. Bridgeman in a plenary session of the Conference on July 14th, 1927 (*Times*, July 15th, 1927) :

"It is not parity with America that is troubling us. We have not raised any objection to that . . . We are accused of an arrogant desire for superiority and of having

refused parity to the United States. This statement has already been formally contradicted."

Mr. Churchill's Declarations

*Extract from speech by Mr. Winston Churchill,
"The Times," August 8th, 1927*

" . . . THE fundamental cause which prevented agreement lay in the different views taken of what constitutes naval equality by the Americans and ourselves. We are in favour, as a broad, guiding principle, of naval equality between the two great English-speaking nations, but the Americans hold that equality or, as they call it, parity must be measured by equal tonnage and should be expressed in exact mathematical parity.

" We hold, on the contrary, that the principle of naval equality must be based, not on mere numbers or tonnage, but must take into consideration the quite different conditions of the two communities. We feel that our island Empire is dependent for its inherent and integral existence, and indeed, for its daily bread, upon our power to keep open the paths across the ocean. If those paths could be closed at the will of another nation, the united life of the British Empire, and even the independence of its various parts, would no longer rest in our own keeping. We contend that our position is entirely different from that of a vast self-contained community dwelling in a continent and free from all our European pre-occupations. . . .

“Therefore, we are not able now—and I hope at no future time—to embody in a solemn international agreement any words which would bind us to the principle of mathematical parity in naval strength. . . . The doctrine of naval equality, if it is to be accepted by us, must take into consideration the whole position of the two countries on the sea and their respective risks and vulnerability.”

Mr. Churchill at Floors Castle on September 4th, 1927 (“Times,” September 5th, 1927)

“In fact, no basis of agreement existed for the Conference at Geneva to meet upon. The United States could not be expected to consent to embody in a treaty anything short of numerical parity, and we could not consent to embody in a treaty any form of parity that did not take into consideration the special conditions of these overcrowded islands. He denied that the Government had been lacking in a spirit of conciliation.”

If this is in fact the view of the British Government, it may perhaps pertinently be asked why they ever agreed to the meeting of the Coolidge Conference at all.

DISARMAMENT AND THE APPENDIX II

TOTAL TONNAGE LIMITATIONS *American Proposals, June 20th, 1927.*

Cruiser Class.

United States	...	250,000	to	300,000	tons
British Empire	...	250,000	to	300,000	tons
Japan	...	150,000	to	180,000	tons

Destroyer Class.

United States	...	200,000	to	250,000	tons
British Empire	...	200,000	to	250,000	tons
Japan	...	120,000	to	150,000	tons

Submarine Class.

United States	...	60,000	to	90,000	tons
British Empire	...	60,000	to	90,000	tons
Japan	...	36,000	to	54,000	tons

Total tonnage in the three classes together
(at lower limits) for the British Empire and
United States 510,000 tons

British Requirements as stated on July 8th, 1927.

Cruisers.

	<i>Tons</i>
15 8-inch gun cruisers, nominally of 10,000 tons each	150,000
55 6-inch gun cruisers, nominally of 7,500 tons each	422,000
Total tonnage for cruisers ...	572,000

Destroyers and Flotilla Leaders.

16 Flotilla leaders	...	...	...	29,600
128 Destroyers	...	...	...	192,000
				<hr/>
				221,600
				<hr/>

Submarines.

40-45 of 1,600 tons				
15-20 of 600 tons, i.e.		76,000-81,000 tons		
				<hr/>
Total for all three classes together				874,600 tons
				<hr/>

British Requirements as stated on July 28th, 1927.

				<i>Tons</i>
Cruisers and Destroyers together	...			500,000
Submarines	...	...	...	90,000
plus 25 per cent. of "obsolete" vessels (i.e. vessels older than the ages pre- scribed in the Treaty to be made)	...			147,000
				<hr/>
Total for all classes together				... 737,000
				<hr/>

APPENDIX III

Resolution Adopted by the Eighth Assembly of the League of Nations. Geneva, Sept. 26th, 1927.

The Assembly,

Noting the progress achieved in the technical sphere by the Preparatory Disarmament Commission and by the Committee of the Council towards enabling the Council to be rapidly convened and to take decisions in case of emergency ;

Being anxious to bring about the political conditions calculated to assure the success of the work of disarmament ;

Being convinced that the principal condition of this success is that every State should be sure of not having to provide unaided for its security by means of its own armaments and should be able to rely also on the organised collective action of the League of Nations ;

Affirming that such action should aim chiefly at forestalling or arresting any resort to war and if need be effectively protecting any State victim of an aggression ;

Being convinced that the burdens which may thereby be imposed on the different States will be the more readily accepted by them in proportion as

(a) They are shared in practice by a greater number of States ;

(b) The individual obligations of States have been more clearly defined and limited :

1. Recommends the progressive extension of arbitration by means of special or collective agreements, including agreements between States Members and non-Members of the League of Nations, so as to extend to all countries the mutual confidence essential to the complete success of the Conference on the Limitation and Reduction of Armaments ;

2. Recalls its resolution of September 24th, 1926, which reads as follows :

“ Being desirous that the investigations, in regard to which the Assembly itself took the initiative in its resolution of September 25th, 1925, should be brought to a successful conclusion as soon as possible, it requests the Council to call upon the Preparatory Commission to take steps to hasten the completion of the technical work and thus be able to draw up, at the beginning of next year, the programme for a Conference on the Limitation and Reduction of Armaments corresponding to existing conditions in regard to regional and general security, and it asks the Council to convene this Conference before the eighth ordinary session of the Assembly, unless material difficulties render this impossible.”

Accordingly requests the Council to urge the Preparatory Commission to hasten the completion of its technical work and to convene the Conference on the Limitation and Reduction of Armaments immediately this work has been completed ;

3.⁷⁷ Requests the Council to give the Preparatory Commission, whose task will not be confined to the preparation of an initial Conference on the limitation and reduction of armaments, and whose work must continue until the final goal has been achieved, the necessary instructions for the creation without delay of a Committee consisting of representatives of all the States which have seats on the Commission and are Members of the League of Nations, other States represented on the Commission being invited to sit on it if they so desire.

This Committee would be placed at the Commission's disposal and its duty would be to consider, on the lines indicated by the Commission, the measures capable of giving all States the guarantees of arbitration and security necessary to enable them to fix the level of their armaments at the lowest possible figures in an international disarmament agreement.

The Assembly considers that these measures should be sought :

In action by the League of Nations with a view to promoting, generalising, and co-ordinating special or collective agreements on arbitration and security ;

In the systematic preparation of the machinery to be employed by the organs of the League of Nations with a view to enabling the Members of the League to perform their obligations under the various articles of the Covenant ;

In agreements which States Members of the

League may conclude among themselves, irrespective of their obligations under the Covenant, with a view to making their commitments proportionate to the degree of solidarity of a geographical or other nature existing between them and other States ;

And, further, in an invitation from the Council to several States to inform it of the measures which they would be prepared to take, irrespective of their obligations under the Covenant, to support the Council's decisions or recommendations in the event of a conflict breaking out in a given region, each State indicating that, in a particular case, either all its forces, or a certain part of its military, naval or air forces, could forthwith intervene in the conflict to support the Council's decisions or recommendations.

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Bombay; Answer.
to

La Birkhead

FOREWORD.

Nowhere has the challenge to India's self-respect and integrity underlying the principle and policy of the Statutory Commission evoked more intense or more unanimous resentment than in the cosmopolitan city of Bombay which has always been noted for the sanity of its political opinion and the sobriety of its political expression.

A common indignation has brought together on a common platform the accredited leaders of all communities and classes, representing the most diverse interests and the most divergent modes of political thought.

The two magnificent and historic public meetings held by the citizens of Bombay, respectively on the 19th November, after the announcement of the Statutory Commission, and on the 3rd December, after the debate in both Houses of Parliament abundantly and incontrovertibly demonstrate how authentic and resolute is the refusal of the people of India to acquiesce or participate in any scheme of national humiliation and dishonour.

Sarojini Naidu

Bombay, 12th December, 1927.

A CHALLENGE TO INDIA'S SELF-RESPECT.

The campaign of protest against the constitution and programme of the Statutory Commission was formally inaugurated in Bombay on the 10th November, when Mr. Mohmed Ali Jinnah, Leader of the Independent Party in the Legislative Assembly and President of the All-India Muslim League, issued the following statement:—

“I consulted by wire a few prominent leaders in different parts of India with a view to adopt concerted action regarding the announcement of the Statutory Commission. The answers I received made it clear that owing to provincial fixtures to which they were already committed in their respective provinces and having regard to distances, a meeting at Bombay or any other central place at an early date was not feasible although they emphasised the necessity of joint concerted action.

As the question will soon be taken up in both the Houses of Parliament in England, I thought it was most essential that an authoritative opinion of an All-India character should be expressed in time to reach London before final decisions are taken by his Majesty's Government. I therefore, circulated a draft manifesto with a covering letter requesting

various prominent leaders to authorise me on or before the 15th instant to include their names as signatories to the manifesto to be issued, if approved of by them.

I am glad to say that I have received so far the most powerful and influential support from all parts of India, from the foremost leaders of the Indian National Congress, the All-India Moslem League, the All-Indian Liberal Federation, the Federation of Indian Chambers and the Millowners' Association."

The Hindu Mahasabha.

I have not included the names of leaders of the Hindu Mahasabha as I received a wire from Lala Lajpat Rai, dated Lahore 15th, as follows:—

"Have wired Jayakar. Waiting his reply" and subsequently a telegram from Mr. Jayakar, dated Poona 16th which reads:

"My party supports boycott but prefers to issue its own statement. Copy posted to your address." I have not yet received replies from Pandit Madan Mohan Malaviya and Dr. Moonje.

Congress Leaders' Replies.

Similarly I have not included the names of the President and President-elect of the Indian National Congress amongst the signatories to the manifesto

for reasons stated in their messages which speak for themselves and which are as follows:—

From Messrs. S. Srinivasa Iyengar and A. Rangaswami Iyengar, dated Madras 14th November:—

“Your manifesto omits self-determination as also the Assembly and Congress demand. Concedes need for inquiry. Proceeds solely on need for mixed Commission. Moreover, abstention is made qualified and conditional. Congress Working Committee’s resolutions and Bengal and Madras manifestoes have adopted unconditional boycott. Regret cannot sign your present draft. Pray reconsider. Let us all stand firm together for a simple bald abstention, each party keeping its reason to itself or stating all the reasons together.”

From Dr. M. A. Ansari, Karnal, 15th November:

“Agree with draft joint statement, except the last sentence which should read “unless a Round Table Conference”, in which British and Indian statesmen would participate as plenipotentiaries, is invited or at least a Commission with a majority of Indians sitting on equal terms is set up, we cannot conscientiously take any part or share in the work of Commission as at present constituted.”

The other leaders of the Congress who were consulted adopted the same line.

The Text of the Manifesto.

“We have given most anxious consideration to the announcement made in the Houses of Parliament and the statement of H. E. the Viceroy and the appeal of the Premier regarding the constitution and programme of the Statutory Commission. We have come to a deliberate conclusion that the exclusion of Indians from the Commission is fundamentally wrong and that proposals about Committees of Legislatures being allowed to submit their views to the Commission and the latter to confer with the Joint Parliamentary Committee are wholly inadequate to meet the requirements of the case. The underlying principle of the scheme that Indians are to have no authoritative voice either in the collection of proper materials and evidence or in taking of decisions by way of recommendations of the Commission to Parliament is of such a character that India cannot, with any self-respect, acquiesce in it. Unless a Commission on which British and Indian statesmen are invited to sit on equal terms is set up, we cannot conscientiously take any part or share in work of Commission as at present constituted.”

Signatories.

Sir Dinshaw Petit, Bart.—President Federation, Indian Chambers and Indian Industrial and Commercial Congress.

Sir Ali Imam.—Ex-member, Viceroy's Executive Council.

Sir Chimanlal Setalvad:—President, Indian National Party, Bombay, ex-member, Executive Council, Bombay.

Sir Abdur Rahim:—President, Bengal Muslim League and ex-member, Bengal Executive Council.

Sir Sivaswamy Iyer:—Ex-member, Madras Executive Council.

Sir Tej Bahadur Sapru:—President, All-India Liberal Federation, ex-member, Viceroy's Executive Council.

Hon'ble Sir Phirozé Sethna:—Member, Council of State.

Sir Purushottamdas Thakurdas:—M. L. 'A.

Sir Munmohandas Ramji:—Member, Council of State.

Mr. H. P. Mody. (Bombay).

Mrs. Sarojini Naidu:—Ex-President Indian National Congress.

Raja Gazanfarali Khan:—M. L. 'A. (Punjab.)

Dr. Kitchelaw:—General Secretary, All-India Muslim League.

Mr. C. Y. Chintamani:—Ex-Minister, United Provinces.

Moulvi Muhammad Yakub:—Deputy President, Legislative Assembly.

Mr. S. Sachidananda Sinha:—Ex-Member, Bihar Executive Council.

Nawab Ismail Khan:—M. L. A. (United Provinces.)

Mr. Munshi Iswara Saran:—M. L. A., (United Provinces.)

Mr. Yakub Hassan:—(Madras.)

Dewan Bahadur T. Rangachariar:—Ex-Deputy President, Legislative Assembly.

Dr. Annie Besant:—President, National Home Rule League.

Mr. K. C. Neogy:—M. L. A. (Bengal).

Babu Bepinchandra Pal:—(Bengal.)

Mr. Lalji Naranji:—Member, Bombay Council.

Mr. R. K. Shanmukham Chetty:—Chief Whip, Congress Party, Assembly.

Mr. M. A. Jinnah:—President, All-India Muslim League and Leader of the Independent Party in the Assembly.

CITIZENS' MEETING OF PROTEST.

A mass meeting of the citizens of Bombay was held on the 19th November in the Cowasji Jehangir Hall. The conveners included members of the Central and Provincial legislatures, leaders of all political parties and representatives of great commercial organisations.

Sir Dinshaw Petit, Bart., presided.

The following resolutions were passed.

No. 1.

“This public meeting of the citizens of Bombay emphatically declares that the Statutory Commission which has been announced is unacceptable to the people of India as it most flagrantly denies the right of the Indian people to participate on equal terms in framing the future constitution of the country. This meeting further resolves that under the circumstances Indians throughout the country should have nothing to do with the Commission at any stage or in any form.

Mover:—Sir Chimanlal Setalvad.

Seconder—Mr. M. A. Jinnah, M. L. A.

Supporters—Mr. Jamnadas Mehta, M. L. A.; The Hon'ble Sir Phiroze Sethna, Member, Council of State; Mr. M. R. Jayakar, M. L. A., The Hon. Sir

Manmohandas Ramji, Member, Council of State.

No. 2.

That the President be authorised to forward copies of the above resolution to the Prime Minister, the Secretary of State for India, his Excellency the Viceroy, the leaders of Liberal and Labour Parties in England.

Mover:—Mrs. Sarojini Naidu.

Seconder:—The Hon. Mr. Ratansi Morarji.

Supporter:—Mr. H. P. Mody.

THE DENIAL OF INDIA'S RIGHTS.

On the 28th November Mr. Mohamed Ali Jinnah issued the following statement to the press after the debate on the Statutory Commission in both Houses of Parliament:

After the announcement by the Secretary of State for India of what he called the "Imperial Proposals," in reply to the strong opposition he appealed to India not to pass judgment until he had placed his reasons in support of the Commission and its programme of work. I have carefully read his Lordship's speech and the debate that took place in the House of Lords and the Commons.

Gross Misrepresentation.

Lord Birkenhead has relied upon the history of India written by his ancestors and founded conclusions which are opposed to the present conditions in India and derived satisfaction by calling them logical. If he has convinced the British people and Parliament that India is a museum of differing communities and interests and that she is seething with warring factions then India's case for responsible government stands condemned. And what is the good of going through the farce of appointing a Parliamentary Commission by a Cabinet whose spokesman has summed up the position of India and condemned it in

advance? If Lord Birkenhead is selecting the personnel of the Commission had to consider the conflicting schools of thought in England regarding India's advance and had to secure two members of the Tory party, one member of the Liberal Party and two members of the Labour Party and two representing the blue blood of England, what wonder is there that we may also require a few men to represent a vast country like India and the various interests concerned? But if it is suggested that India cannot produce a few men who will command the confidence of their countrymen, then it is the grossest misrepresentation and the gravest wrong done to her by the Secretary of State for India, who professes sincerity and a desire to help India.

That Central Scheme.

The underlying idea is the arrogant assertion of the principle that Indians cannot be allowed to share in the responsibility or in the decisions that are taken concerning the future constitution of India. And, says, Lord Birkenhead, so long as that central principle is maintained intact he does not mind what else the Commission may do. This is what he says:—"If without a destruction of our central scheme from which we do not intend to depart the noble Lords can suggest any method in which I can make it even plainer that our purpose is not to affront Indian opinion but rather to conciliate and make it friendly to us, it shall most deeply be considered." But this central scheme which

is a "Fait Accompli," is the cause of our grievance and involves the humiliation of India.

Mr. Montagu Resurrected.

Lord Birkenhead resorted to a legal argument and resurrected what was in the head of Mr. Montagu through his surviving colleague, Lord Chelmsford. He says:—"I have no doubt whatever, speaking as a constitutional lawyer that the framers of the original and determining Act when they spoke of a Commission contemplated a Parliamentary Commission. It is true that they did not so state it in the terms, but I draw the inference that they did not so state it because they thought it so obvious. I observe Lord Chelmsford in the House, I am not entitled, unless he thinks it proper to contribute it, to ask his opinion but I should be greatly astonished if he is not prepared to state at the time when the Commission was contemplated in the governing Act, there was no other idea but that it should be entirely Parliamentary" But Lord Chelmsford did not quite come up to the scratch.

Lord Birkenhead's Speech.

It was not very long ago that Lord Birkenhead himself, if I remember rightly, stated that the best brains of the Empire would be called upon to compose the Statutory Commission under the Government of India Act, when such a Commission was appointed. Now, let us consider what this Commission will do under

Section 84A of the governing Act, because the resolution merely says—and we can only go by the terms of the resolution—that this House concurs in the submission of the following persons, namely, Sir John Simon, Viscount Burnham, Lord Strathcona and Mount Royal, Mr. Cadogan, Mr. Walsh, Colonel Lane Fox and Major Attlee to act as a Commission for the purpose of Section 84A of the Government of India Act.' It is most extraordinary that each one of the speakers who took part in the debate conjured up a picture of his own as to what this Commission will do and is capable of doing. But we know what the statute lays down as their terms of reference. Here I may quote the words of the Statute: (1) The persons whose names are so submitted if approved by His Majesty shall be a Commission for the purpose of enquiring into the working of the system of Government, growth of education, and the developmeent of representative institutions in British India and matters, connected therewith, and the Commission shall report as to whether and to what extent it is desirable to establish the principle of responsible government or to extend, modify or restrict the degree of responsible government then existing therein, including the question whether the establishment of second chambers of the local Legislatures is or is not desirable. (2) The Commission shall also enquire into and report on any other matters affecting British India and the Provinces which may be referred to the Commission by His

Majesty." There is no such reference in the present proposals under this part of the section.

"With great deference to those who took part in the debate in the two Houses of Parliament, I ask, is it possible that the function given to the Committee of the Central Legislature to offer criticisms and objections in consultation with the Parliamentary Committee would lead to any good results, and is it expected that any substantial modifications or amendments could be made in the recommendations of a commission of such calibre and integrity, for which they have received so eloquent a certificate not only from the Secretary of State for India but from all parties in both the Houses of Parliament, a Commission which is described as thoroughly impartial and one whose integrity cannot be questioned and who will judge according to the standard known to Parliament and whose recommendations Parliament will consider instinctively their own when they make their report?"

Lord Birkenhead's Real Object.

One word about Lord Reading. He condemns all the politicians because at one time or other they had been parties to formulating proposals towards further advance in the constitution of India. Does he mean to suggest that the members of the Commission appointed have no views with regard to the future constitution for India? Some of them actually happen-

ed to be members of the Cabinet when the Muddiman Committee was appointed. And have these members given any guarantee that they will be unanimous in their report? Lord Birkenhead, at any rate makes it clear as to what his real object is in having this Commission and what is expected of it. He says: "There may not be a unanimous report, but at any rate we shall have a report which proceeds upon the same general point of view and principle."

Negation of India's Status.

I ask what does he mean by 'general point of view and principle? Has the personnel of this Commission already formed its opinion on the general point of view' and decided upon the 'principle'? What are they? His Lordship did not make it clear. It follows, therefore, that they will only look for details to support the 'general point of view and principles' which are already determined by them without the aid of any accredited Indian representative who could help them in collecting materials and evidence or shake them with regard to their "a priori" 'general point of view and principle' to which they are committed already. For these reasons amongst others India cannot participate in this policy and share in the work of the Commission in any form at any stage, because it is a complete negation of India's status as partner, which has been so repeatedly acknowledged by British statesmen.

BOMBAY'S ANSWER TO LORD BIRKENHEAD.

On the 3rd December once again, the citizens of Bombay—through their accredited leaders—firmly reiterated their resolution of the boycott of the Statutory Commission, at a public meeting held, this evening, at the Sir Cowasji Jehangir Hall. The meeting which was presided over by Sir Chimanlal Setalvad was convened by every political party in the city to signify its utter disapproval of the composition of the Commission and to emphatically reaffirm that the latter was unacceptable to the people of India, as it most flagrantly denied their legitimate right to participate, on equal terms, in framing the future constitution of the country. The main resolution adopted by the meeting stated, in unmistakable terms, among other things, that 'the country should have nothing to do with the Commission at any stage or in any form.'

Long before the time (6 p.m.) fixed for the meeting, the hall was packed to its utmost capacity. That it was wholly representative, could not be denied by anyone who was present there. The feature of the meeting was the presence of a large number of Mahomedans, who evinced great interest in its proceedings. The two resolutions placed before the meeting were carried without a single dissentient voice.

The meeting lasted close upon two hours and a half, during which the audience was treated to forceful, convincing and eloquent speeches.

Conveners.

Sir Purshotamdas Thakurdas, M.L.A.,
 Hon'ble Sir Manmohandas Ramji,
 Mrs. Sarojini Naidu,
 Mr. M. R. Jayakar, M.L.A.,
 Hon'ble Sir Phiroz Sethna,
 Mr. M. A. Jinnah, M.L.A.,
 Mr. Jamnadas Mehta, M.L.A.,
 Mr. Lalji Naranji, M.L.C.,
 Mr. Bhulabhai F. Desai,
 Mr. Narottam Morarji,
 Mr. K. F. Nariman, M.L.C.,
 Mr. B. G. Horniman,
 Maulana Shaukat Ali,
 Hon'ble Ratansi D. Morarji, Member, Council of
 State,
 Mr. F. S. Talyarkhan,
 Mr. Husseinbhoy A. Laljee, M.L.C.,
 Mr. H. P. Mody,
 Mr. Kaikobad Cowasji Dinshaw,
 Mr. K. M. Munshi, M.L.C.,
 Mr. Faiz B. Tyabji,
 Mr. Balubai T. Desai, M.L.C.,
 Mr. Mavji Govindji,
 Dr. Rajaballi B. Patel,

Mr. D. G. Dalvi,
 Mr. F. J. Ginwalla, M.L.C.,
 Mr. S. A. Brelvi,
 M. Y. Haindaday,
 Mr. Kanji Dwarkadas,
 Mr. C. Chagla,
 Mr. V. N. Chandavarkar.

Sir Chimanlal Setalvad's Masterly Address.

Sir Chimanlal Setalvad in his brilliant and masterly address said:—

“Ladies and Gentlemen, I stand this evening before this great gathering of the citizens of Bombay with mixed feelings of regret and pleasure—regret that an acute difference should have arisen on a very vital matter between England and India, who in the wisdom of Providence have been thrown together and for whose mutual benefits it is that there should be feelings of trust and confidence between them; pleasure at finding that the citizens of this great city are united in demonstrating that they are all Indians first and Hindus or Mussalmans or Parsis or Christians afterwards, that they are prepared to stand together in defending their national self-respect and honour.

Since the last meeting in this hall the debate on the personnel of the Statutory Commission has taken place in the Houses of Parliament I have followed and studied in all humility the pronouncements of

the responsible statesmen and leaders of the various political parties in Great Britain and I have no hesitation in saying with all respect to them, that their announcements are altogether unconvincing, nay more, I venture to think that their utterances have confirmed and accentuated the view that I had expressed before the debate. I had emphasised that the exclusion of Indians from the commission involved a question of fundamental principle on which there can be no yielding. The Secretary of State agrees that difference of opinion on the question as to whether the commission should be purely a Parliamentary Commission or a commission on which Indian members should have found a place is founded upon principle. The Secretary of State thus insists on the exclusion of Indians from the commission as a matter of principle.

Reply to Lord Birkenhead.

Let us examine the grounds on which he maintains his principle of exclusion. His first general ground is that the responsibility in the matter of this statutory investigation is with Parliament and it cannot repudiate its duties and its responsibilities in the matter. But surely it cannot be suggested that the inclusion of Indians in the commission can in any manner be a detraction from the responsibility of Parliament for any legislation that they may decide to adopt. Then it is urged that Parliament can be helped "only by the opinions of men of a

mitted integrity and independence without any commitment of any kind at all." It is an unworthy suggestion to make the suggestion which this argument implies that among Indians it is not possible to find men of integrity and independence or men who when sitting on such a commission would give an impartial consideration to the questions before them, in spite of any predilection or views they might have. If Conservatives, Liberals and Labourites, with their pre-conceived ideas and predilections about the political progress in India can act with integrity and independence, there is no reason why Indians will not acquit themselves in the same manner.

It was next argued that the framers of the Government of India Act contemplated a purely Parliamentary Commission. The Secretary of State, as an eminent lawyer, knew that the language of the statute does not say so and he therefore hasten to observe that the statute does not say so because it was so obvious. It must be a very poor cause if he has to fall back upon such an argument in support of it. Any lawyer advancing such an argument in a court of law would have been told that the intention of the legislators can only be gathered by the language used by them, and the language of the Government of India Act is clear that the membership of the commission need not be confined to members of Parliament.

Absurd Plea of Lord Birkenhead.

The next line of defence put forward is that India is divided into so many creeds and groups that it is impossible to put on the commission the representatives of all interests. This part of the Secretary of State's defence is indeed very specious and was indulged in because the immediate hearers through lack of knowledge were unable to see its obvious fallacies and exaggerations. Quoting what Mr. Goswami had said with respect to the religious differences between Hindus and Mahomedans on the music and cow questions, that the Hindu Maha Sabha was not recognised in Bengal, the Secretary of State proceeded to assert that as there was no organisation in all India which can speak officially in the name of the Hindu community. It was not possible for him to select a Hindu representative and he referred to similar difficulties about their communities. It is absurd on the face of it to assume that all Hindus should have one political voice conveyed through one communal organisation. If the Secretary of State were right, a Protestant can never represent a Roman Catholic and an Anglican a Dissenter. But I will let Mr. Goswami speak in his own felicitous words. Referring to the observations of the Secretary of State he says:

Mr. Goswami's Reply.

"Lord Birkenhead has quoted me for his purpose. I do not know to which of the numerous sects of

Christianity he professes adherence, but does he suggest, for instance, that all the members of any one of these sects in Great Britain should have the same political views expressed through one communal organisation? Still less would he, I suppose, suggest that all Christians in Britain should be politically unanimous. Yet he expects that all Hindu India should have one political voice conveyed to the world through one all-embracing communal organisation, in order that a Hindu might be justified in enquiring into the institutions which are so vital to the secular life of a country. I need hardly emphasise how ridiculous such a suggestion is and yet the suggestion is undoubtedly there in Lord Birkenhead's speech. Not only is it almost impossible, that an entire Hindu India should be blended together into one communal organisation, but it would be entirely undesirable if that were possible; similarly for Mussalmans or any other community. The political parties cannot and ought not to be on communal lines."

India Not Bankrupt of Patriotic Men.

This supposed impossibility of including Indians on the commission because of Hindus, Mussalmans, Non-Brahmins, Sikhs and Depressed Classes, all clamouring for representation is unreal when the real facts are looked to in their proper perspective. India is not and has never been bankrupt of men of great patriotism, of catholic views in all communities, and

we know there are Hindus who will command the confidence of Mussalmans, and Mussalmans who will command the confidence of Hindus, Brahmins who will command the confidence of Non-Brahmins and depressed classes and Non-Brahmins who will command the confidence of Brahmins and others.

Illiterate India.

The large mass of illiterate India is pressed into service to establish the impossibility of selecting representative Indians on the Commission. It is very singular that the interests of this mass of illiterates who have been allowed to remain illiterate during the British administration for the last 150 years, are supposed to be properly safe-guarded by seven Englishmen with very little acquaintance with India and that educated Indians cannot be trusted to safeguard those interests.

Representation of Civil Service.

Then it is said that if Indians were given a place on the commission the Indian Civil Service who, it is claimed, have a deep-rooted interest in the country would also be entitled to be represented on the commission. Now ladies and gentlemen, during many years of unofficial life and a few years of official life I have come into close association with members of the Indian Civil Service, both Europeans and Indians, and I would most ungrudgingly admit that they are a splendid body of public servants who have rendered

valuable services to India and whose services in my opinion, would be still valuable to self-governing India, but I entirely repudiate the claim made on their behalf that they are entitled to representation on this Commission. I want them as servants and not as masters.

Not Afraid of Civil Service Representation.

The members of the service will be valuable witnesses before the Commission. Whoever heard that the permanent public servants in a country are to have a voice in deciding the political evolution of any country? But the contingency of some Indian Civil servants being placed on the commission with Indian non-officials does not frighten me. In the matter of those reforms we had in 1918-19 two important committees under the presidency of Lord Southborough to determine the question of function, to decide upon the division of Imperial and Central and Provincial subjects and reserved and transferred subjects in the provinces and the franchise for the various legislatures. On each committee we had three European members of the Civil Service, one of them being Mr. Hailey, now Sir Malcolm Hailey, Governor of Punjab. In spite of the predilections and strong views on either side, the Indians and the Europeans were able to appreciate and adjust their conflicting views, and unanimous reports of both committees were produced.

Committees of Legislatures.

Ladies and Gentlemen, we are told that it is proposed to give us something better than membership of the commission by way of creating committees at the Central as well as Provincial legislatures to get into touch with the commission and later on with Parliament itself. We are told that the opportunities of collaboration offered to us under that scheme are such as have never before been offered to any country and that we are stupid and perverse enough not to appreciate and welcome those opportunities. Ladies and Gentlemen, any person who carefully studies the proposals about these committees as put forward by the Cabinet in the Houses of Parliament, cannot be under any delusion as to their real nature notwithstanding the very sweet and generous words used to pacify us. Lord Olivier in the House of Lords and Mr. Macdonald in the House of Commons drew very attractive and rosy pictures as to what the status and powers of these committees of the legislatures might be. Lord Olivier suggested that there should be joint meetings of the two commissions as they called them and the reports of those commissioners should in due course be presented to the joint committee of Parliament. The suggestions of Lord Olivier were promptly repudiated by Lord Reading and he said that they were quite impossible of acceptance; Mr. Macdonald in the House of Commons spoke of two commissions working together in

harmonious co-operation with each other and then reporting to the House of Commons the lines of the new constitution. Let no one be misled by these pious suggestions on the part of Labour leaders.

No Equality of Status.

Let us look closely and squarely at the scheme of these committees as propounded by the Secretary of State. There is no mistake or misunderstanding as to what the scheme is. The functions of the Committee of the Central legislature are, in the words of the Secretary of State "to prepare their own proposals and come before the commission and say, these are our suggestions." After giving the committee an opportunity of confronting the commission with their own proposals it will be for the commission to analyse and criticise and the said commission ought to accept or reject them. When the commission goes to the provinces the commission will lose contact with the committee of the Central Legislature and will get into contact with the Provincial committees who will, in the words of the Secretary of State "discharge the same consultative functions as the committee of the Central Legislature". The commission will deliberate itself and arrive at its own conclusions and present its report to Parliament. The Secretary of State makes it perfectly clear that he cannot have two reports one from the commission and one from the committee of the central legislature. After the report of the commis-

sion reaches Parliament and it is referred to the joint Parliamentary Committee, the committee of the Central Indian Legislature will be allowed to develop any criticism they may have to make to the proposals of the commission and Government. In all these so-called concessions what is there more than what the legislatures could themselves have done. Who could prevent the legislatures from submitting their proposals to the commission and later depute a committee to appear before the Joint Parliamentary Committee to offer their views on the proposals of the commission? It would be open to any organisation or any individual of importance to do so. Camouflage as you may the committee of the legislature under this scheme have no more status and no more power than submitting their views as any other witness which can be accepted or rejected. The Prime Minister may speak of approaching Indian people as friends and equals and the Secretary of State may speak of specially inviting the committee of the legislature to sit with the Parliamentary Committee. All these phrases would not advance in the least either the status or the dignity or the powers of the committee as defined by the Secretary of State. There is no misrepresentation and misunderstanding on our part as regards the status and rights of the committees. The misrepresentation is all on the part of those who are telling people that the committees have equal status and rights with the commission.

Inferiority Complex.

We are told that we are given an opportunity that in the history of constitution-making has never been given to any people. This is what he says: "They will on the whole have been given an opportunity which in my judgment has never been given in the whole history of constitution-making to people "who are in their position." The operative words are "people who are in their position." Ladies and Gentlemen, the position is this. We are a subject-race. But for the protection of the British army and navy, you are unable to protect yourselves and your country. You are quarreling amongst yourselves with your different religions and creeds and it is the height of impudence on your part to claim to sit on this commission which is going to decide your political future.

India's Soul Not Dead.

Ladies and Gentlemen, Mr. Macdonald, is amazed that we are making all this fuss about the exclusion of Indians from the commission and are not appreciating the opportunities to be given to us by means of the committees of the legislatures and Mr. Lansbury describes our attitude as midsummer madness. It is so little these people know of Indian sentiments and feelings. Ladies and gentlemen, whatever the Conservative and Liberal leaders in Parliament may think let us tell them with a united voice that India's Soul is not dead, and that self-respecting India will

have nothing to do with this commission in any shape or form.

Mr. Bhulabhai Desai.

Mr. Bhulabhai Desai then moved the following resolution :—

“That after hearing the explanations given in Parliament in support of the constitution of the Statutory Commission and the procedure indicated, this public meeting of the Citizens of Bombay emphatically re-affirms that the Statutory Commission which has been announced is unacceptable to the people of India as it most flagrantly denies the right of the Indian people to participate on equal terms in framing the future constitution of the country and that Indians throughout the country should have nothing to do with the Commission at any stage or in any form.”

While he welcomed the honour that was conferred upon him, said Mr. Bhulabhai, to address the meeting, he could not help realising the responsibility that lay upon him. They had met there that evening, to reconsider their position in respect of the Statutory Commission, for they were told that it would be premature on their part to form any opinion on the Commission, until the pronouncements on the subject had been made in the Houses of Parliament. Let it not be stated later on that Indians had expressed no opinion on those pronouncements. It

was for that object that that great meeting had been called.

Lord Birkenhead had spoken in no uncertain voice, continued Mr. Bhulabhai, in making that speech in the House of Lords. In fact, the Secretary of State's main object was to remind the Indians of their position in India; his Lordship wanted them to realise that they were a subject race. "It would not be unfair to state that the speech of his Lordship was somewhere in this form. He begins with bestowing his unreserved and patriotic praise on his fellowmen. Having done that, he next proceeds to ask himself and the House of Lords, the functions of the Commission. He then proceeds to analyse as to how the British became the rulers of this country. He further tells us that the Britishers came out to this country in the guise of tradesmen and they have remained here in the guise of conquerors. Then again, Lord Birkenhead says that the Britishers have saved the country from anarchy. The conditions which justified Britain to impose their rule on India 150 years ago, are exactly the same to-day as they were before.

The main object of the British Cabinet in appointing this Commission is to frame what is known as the central scheme in such a manner that the Britishers will be able to maintain their supreme power in this land. Let there be no mistake, no misrepresentation as to what the central scheme of the most

responsible men in the British Cabinet is, I want to make this clear to you that Lord Birkenhead wants to restrict the institutions that are now existing in the country, if necessary, for the central scheme of the Government."

Proceeding the speaker pointed out that the terms of reference to the Commission were undoubtedly large. Lord Birkenhead thought that if for once a place for Indians was found on the Commission they (the Britishers) would be faced with serious consequences. On the other hand Lord Irwin appealed to the country that Indians had been excluded in order to avoid any clash of ideas. But unless those 'recalcitrant' Indians had been appointed on the Commission, it would be difficult for the latter to bring out the truth. (Hear, hear.) Mr. Baldwin had openly declared that the exclusion of Indians from the Commission had been made on broad principles. On the contrary, the speaker ventured to say, the inclusion of Indians should be made in the Commission on broad principles, from their (Indians') point of view. The key to the appointment of the Commission was to find out how best to perpetuate their (the Britishers) rule in India. (Cheers.)

Referring to the constitution of the Commission. Mr. Bhulabhai said, that composed as it was, no self-respecting Indians should go before the Commission. They (Indians) were described in certain

quarters as 'the blind leading the blind.' "Let our critics properly understand our position before condemning us. Lord Birkenhead I may say without the slight-hesitation, was the blind leading the blind. He was the blindest of the blind in that he thought that by the experience of the last 150 years India has lost so much of its self-respect and initiative that Indians will accept whatever is given to them and that if they do not, they will be disgraced as Non-co-operators. It is for this reason, ladies and gentlemen, that I say that at any rate that this misfortune is a blessing in disguise to us. In this country, so long as there is no self-Government, there is no room for parties. It is a fact which is easy to state, but the signification of which is not easy to realise and the achievement of which is most difficult to get. Let me, therefore, appeal to you to present a united front Government and tell them plainly that we shall have nothing to do with the Commission."

Jury of British People.

In conclusion, Mr. Bhulabhai said that they were also told that the Commission was coming out to India as a Jury of English people to examine the progress of the Reforms. They were further informed that they, as Indians, did not understand their own interests, and therefore, the English Jury (which was conversant with Indian affairs better than Indians) was going to examine their progress. (Laughter.) The position was simply this: the

Indian point of view—however authoritatively put and weighed before the Commission, would not suit the position of the Britishers. That was however, clear from the speech delivered by Lord Birkenhead. “So far as this meeting is concerned, there is not a party that has not joined in convening it. Let us not disperse from the meeting, except with one single resolution that we have had enough of party-making, enough of party dispute, enough of party and communal squabbles and enough of supposed religious differences, but let us realise that we will not alter our opinion that we will have nothing to do with the Commission, at any stage or in any form.”

SIR MANMOHANDAS RAMJI.

A Soldiers' Commission.

Seconding the resolution the Hon. Sir Manmohandas Ramji said:—Sufficient has been said by now to demonstrate the practically unanimous feelings amongst the Indian people against the Reform Commission, the appointment of which was announced lately. I should like, however, to add a few words of my own. This Commission is purely a soldiers' Commission, every one of the members excepting the President had something or other to do with the war. Thus, one member, Major Atlee, was Under-Secretary for War in the Labour Administration, Col. Lane-Fox took part in the last war, as also did

the Hon. Mr. Cadogan and Lord Strathcona. Lord Burnham is a sort of a publicity agent for the British Empire and like the late Lord Northcliffe had his share which went by the name of the War Publicity Department and which contributed, perhaps, more than ammunition to the defeat of the Germans. The President is chosen, probably because of his legal abilities as also his power of expression. My suspicion is that the grip on India is going to be made still more tight and fast from a military point of view through the efforts of this Reforms Commission. It is because of this that a soldiers' Commission has been chosen and appointed. It is also very significant that the Secretary of State for War is coming out at about the same time as this Commission. In other words, it is not the India Office which is to run the show of the Commission, but the British War Office. And on account of this it is but right that Indians must have an equal representation in the Commission.

Plea of Trusteeship.

It is the claim of the British Statesmen that the British Government in this country are "Trustees" for the people of this land. They have been the "Trustees for well-nigh 150 years, and it is a very strange sort of Trusteeship that there is still no thought in the minds of the Trustees of giving over the charge of the estate to the ward. I do not know what legal steps would have been taken against ordi-

nary individuals if they had managed their Trust as the British Government have, in the country for the last so many years. It is but meet that they should realise the nature of what they call "a sacred Trust," and not hesitate to hand over the charge of their Trusteeship to the Ward who has now attained the hoary age of 150 years.

A Just Demand.

It was but due to the self-respect of our people that they should have been invited to take part on equal terms in the Commission which is going to affect the destinies of this country so vitally. This fundamental fact is forgotten by leaders of all the parties in Great Britain, that India is asked to rest content with a thing which any other Colony would have treated with contempt. The so-called sitting together of the Committee appointed by the Central Legislature is merely a make-believe. When the Irish leaders were invited to take part in the deliberations which were to settle the destinies of Ireland, they sat at a common table with the representatives of the British Government and were joint signatories to that memorable document which recognised Ireland as one of the self-governing suits of the British Empire. If the British Statesmen are sincere and earnest in their protestations of looking after the interests of this country, they should not foist upon this land a Commission which has met with such a strong and unanimous opposition. As for ourselves,

I think, we should not rest content with merely passing these Boycott resolutions but should have a Joint conference of all the leaders of different parties to show a united front and to get what we want.

Mr. Husseinbhai Lalji.

Supporting the resolution Mr. Husseinbhai Lalji said that he considered Lords Birkenhead and Reading as no more than mere lawyers. They should not therefore be misled by these lawyers. All that they could now do, under the circumstances, was to trust their own men and follow their lead. By excluding Indians from the Statutory Commission, the British Government had hurled a great insult against Indians which the latter should retaliate by boycotting it. What right had the Commission—which was rightly characterised as “Military Commission” by Sir Manmohandas—to come out to India when it was not wanted by Indians? The Britishers would be making a sad mistake, if they held the view that it was impossible for the Hindoos and Mahomedans to unite, to get their rights from the foreigners. Let the Britishers know that they were all fighting today for the sake of their self-respect and nothing else. He appealed to all his fellow countrymen to carry on their battle for self-respect to a successful issue.

Sir Purshotamdas Thakurdas.

Sir Purshottamdas Thakurdas in rising to support the resolution said that for the last few days

those who clamoured over the Commission had been reminding them of the result of boycott in the past and asking them to ponder over the results that would ensue, by boycotting this Commission. He admitted that if the British Government were not confident that this boycott would practically, from their point of view, fail, they would not have dared even to conceive this scheme on which the constitution of this Commission was based. The apparent disunity and weakness of the Indians which had been forced upon them by the British Government itself were given as justifications for the exclusion of Indians from the Commission. Lord Birkenhead referred to three cardinal points the Army, Navy and the Civil Service. But the speaker liked to give his Lordship a tip that if the Government of India continued in the same way as it was at present for the next 50 years his Lordship in 1977 would be able to advance the same specious reasoning and be able to convince the House of Lords that his Lordship was at the right.

His Lordship's reference to the illiteracy of the masses of India, the speaker continued, were only indictments against the India office and the Trusteeship of British Government of the people of India. These were the very reasons why Indians should be on the Commission instead of otherwise.

Are Indians Lacking in Integrity.

Referring to Lord Birkenhead's criticism as to the lack of integrity and capacity of Indians to submit a report to Parliament, Sir Purshotamdas said that there were men amongst Indians who had the same standard of integrity, if not more, as the Parliamentary Commissioners. Regarding the minds of the Indians being biased, Sir Purshotamdas asked whether there was any guarantee that these seven good men who had been selected, had not been listening to the reports of Europeans and Anglo-Indians from India on Indian matters and that their ears were not poisoned by such reports? No. Their minds as much biased as that of any Indian. Then what was the good of saying that because representative Indians had expressed their opinions, they could not be trusted to listen to the evidence with an unbiased mind and submit a proper report to Parliament? Why doubt their integrity and capacity to present a report, to Parliament which would carry weight! In a Commission of this nature none of the considerations to which Lord Birkenhead had referred in his Parliamentary speech, namely communal jealousies, etc., should be taken into account. Lord Birkenhead should have known that his reasonings were specious. No self-respecting Indian would accept this Commission as at present constituted, and as the speaker had still some prestige and self-respect within him he has

come to the conclusion that he could not possibly appear before the Royal Commission. Concluding he appealed to all Indians to have nothing to do with the Commission at any stage in any shape or form.

Mr. K. F. Nariman.

Mr. K. F. Nariman, who on rising to speak received an ovation, said that he was appearing before them with a feeling of nervousness. That was the first time in his career that he had the very great honour of appearing on that platform along with the veteran leaders of the country. It was for that reason that he was feeling very nervous. "We should bear in mind one thing that nothing frightens our opponents abroad as united public opinion. We are meeting after the declaration made by Lord Birkenhead in the House of Lords: "Friends in India, do not hasten to give your opinion about the Commission, do not be rash, until you have heard me." (Laughter.) Luckily our leaders have not yielded to the Britishers. Lord Birkenhead perhaps thought that after his and his friends' pronouncements in the Houses of Parliament, the Indian leaders who were, at first, opposed to the Commission, would change their opinion and pass a resolution of congratulations to them (the Britishers), but how disappointed they (the Britishers) would be when they were informed that the same Indian leaders re-assembled and reiterated their resolution

regarding the boycott of the Commission! (Laughter). That evening's meeting reminded the speaker of the "Lord Willingdon Memorial episode," when Mr. Jinnah and Mr. Horniman were on the same platform to agitate on behalf of Indians. To-day, he was glad to see those gentlemen on the same platform. (Cheers).

British Bluff and Bluster.

The game of British bluff and bluster had now commenced, Mr. Nariman continued. In his speech delivered at St. Andrew's day dinner, Sir Stanley Jackson, the Governor of Bengal had stated that the Parliamentary Commission was a settled fact. That was, however, the British bluff and bluster. (Laughter). Let his Excellency remember that it was also a settled fact that the whole of India had decided to boycott the Commission. (Cheers). The leaders of Indian public opinion should realise that the agitation for boycott was a mass movement. Let them remember, that the Commission was to be boycotted at every stage and in any form. Until the resolution was followed, it would have no effect on the masses. He, therefore, appealed to those leaders not to entertain the Commission—not even its Chairman—Sir John Simon—and not to make any distinction between Official functions and non-official functions (Hear, hear.) Let not the Bombay Bar Association also entertain Sir John Simon, just because the latter was a great lawyer. They

(the Indians) were all certainly justified in their resentment. Why ? Because these people the members of the Commission were not going to be their generals in India.

These people had been repeatedly told that they were not wanted by India, and if they still ignored their (the Indians') warning, the Commission would feel very sorry for their mistake. Bombay was known as the "Gate-way of India," and it was their duty, therefore, to act as watchmen to see that those exploiters did not enter the country under any circumstances to loot them. (Laughter). They as watchmen of the country should, soon after the Commission's arrival in India, tell them to go straight to the Shipping Office and book their passages back for England (Laughter). That was the only thing that they could now do as a reply to the Britishers for their insult to India. (Cheers).

Mr. Ramchandra Gole further supported the resolution in a Marathi speech.

Mr. Lalji Naranji. -

Mr. Lalji Naranji said that the Britishers should bear in mind the fact that the need of India in 1917 was quite different from her need to-day. Now the circumstances had changed. The very entrance of the Commission was (as was ably stated by Mr. Bhulabhai) in the guise of traders. Now the time had come when the Indians should be wide awake to the economic problems of the country. He was

sure that if they took interest in those problems Great Britain would learn how to take care of them. The Commission, they must bear in mind, was not going to give up their economic hold on India.

Mr. M. A. JINNAH.

We Will Stand Together.

Mr. M. A. Jinnah moved the second resolution: "That the President be authorised to forward copies of the above resolution to the Prime Minister, the Secretary of State for India, His Excellency the Viceroy and the leaders of Liberal and Labour parties in England.

Mr. Jinnah said the central scheme of the Commission was to patch up the constitution of India. Lord Birkenhead said that the seven members of the Commission might differ on points of detail but there could be no difference on the general principle. That principle was that India was the keystone of the Empire and the British rule must be maintained there. The Commission was to do patch work only, and nothing more. Because if Indians were put in the Commission, they would say they must examine the whole fabric of the constitution and must see whether it could be overhauled instead of being patched up. Proceeding, Mr. Jinnah said he reciprocated the feelings and spirit of Mr. Nariman and would say on behalf of his party: "We will stand together on this issue, whatever may happen."

Muslims Sound at Heart.

Referring to his co-religionists, Mr. Jinnah said at heart, they were perfectly sound and were more enthusiastic than even the other sections. "Believe me," he continued, "and I am not exaggerating when I say that it is because they are misled and because they do not understand the issue properly that some of them are still wavering. I expect and I have every hope that they will not lag behind the Hindus in any way, but will work with you, Hindus, Parsis and Christians, and go through the ordeal as a united people. I warn those who want to exploit Mahomedans to leave off this dirty game. If they try it, they will fail miserably as they have failed in the past. I appeal to you, Hindus, not to pass your judgment on the Mussalmans prematurely. Don't doubt them or blame them. I appeal to you, the major community, to be true to your faith, and if you do that, let me tell you that the minor communities, including the Mussalman community, will follow you."

Mr. Balubhai T. Desai.

Seconding the resolution Mr. Balubhai T. Desai said that it was incumbent upon the Indians of different shades of political opinion to unite. They must forget whether they were Hindus, Mahomedans or Parsis, and must remember that they were Indians and Indians alone. It was for that reason that the

resolution was being communicated to the authorities. He fervently appealed to the chairman to guide them aright, as their Field-Marshal. He also appealed to the ladies to do all they could to persuade the men from approaching the Commission; and to the men to stand firm in their resolution of boycott.

The resolution was unanimously carried.

On the motion of Mrs. Sarojini Naidu a hearty vote of thanks was accorded to the Chairman, seconded by Mr. Faiz B. Tyabji.

(Reprinted from the Indian Daily Mail.)

THE MUSLIM MIND.

On the 11th December Mr. Mahomed Ali Jinnah issued the following statement in answer to the insidious and mischievous propaganda carried on by London and local journals to seduce and mislead the Indian Mussalmans by false and unworthy arguments in favour of accepting the statutory commission :

Exploiting Muslim Feelings.

During the course of the last week we have been presented with two manifestoes one from the Punjab and the other from Bengal over the signatures of a few Mussalmans headed by Sir Abdul Qayum and Mr. Gazanavi, ex-Minister of Bengal. There is remarkable similarity in the central note that it struck in these manifestoes and the pontifical advice of the London "Times" carried out locally by "The Times of India" in Bombay. One wonders why these newspapers are so solicitous about the welfare of Mussalmans only at this juncture and have come forward to champion their cause and advise them. One may well surmise that this audacious attempt is made under the guise of friendship because there are yet people in England and India who believe that amongst Mussalmans there is a fertile soil for their manoeuvres and machinations and hence they dare attempt to exploit the Mussalmans. There can be no doubt in the mind of any intelligent person that the exclusion of Indians from any real participation in the deliberations of a body

whose recommendations will determine the political future of India for the next decade or more is an insult and affront that no self-respecting people ought to take laying down. Moreover the policy underlying the announcement of the Statutory Commission goes to expostulate India's incapacity for Responsible Government. The procedure indicated to associate the Committees of Legislatures, Provincial and Central, is a camouflage. The recommendations of the Commission once made behind our back after their inquiry and investigations which they consider necessary will stand and the proposed committee of Central Legislature will have no scope to modify the recommendations substantially by means of their "criticisms and objection."

Stand United.

The signatories of Manifestoes admit that "inter-communal strife and self-respect cannot subsist together." Men who have on their own admission lost self-respect are not entitled to speak on behalf of any decent body. Further they say, they refuse to "play the part of hireling shepherds." This is like the Devil quoting Scriptures. It is just as well that this advice comes from those who have spent a great part of their lives round about the Secretariat seeking official favours. These two manifestoes are obviously a put up job and I feel confident that Mussalmans will not be influenced by such claptrap, although Mr. Gazanavi may repeat history by follow-

ing Mir Jaffar. I appeal to the Mussalmans to stand united and depend upon their own merits and inherent strength and not lay themselves open to be auctioned to the highest bidder as the signatories of these manifestoes suggest. As far as our interests and our rights are concerned if the seventy millions of Mussalmans are united and stand together I venture to say that neither the Hindus nor the British Government can dare to defy or encroach upon their legitimate claims as the people of the country.

Claims of Muslims.

I have always said that in any scheme or constitution that may be framed or adapted the fair and just claims of the Mussalmans and their interests should be adequately safeguarded and secured. The community as a minor community is entitled to stand by their policy; but I am also convinced that Mussalmans will not be able to keep what they obtain by favours either from the British or from the Hindus except what they will secure by means of their own inherent strength and merited by the justice of their cause. The Commission can do nothing for the Mussalmans alone. Attempts will be made to beguile and seduce the Mussalmans from the only honourable course open to them by suggestions that Mussalmans stand to benefit if they present their case before the Commission in the absence of their Hindu brothers. But in this case I can assure my community that they will not get even the proverbial 30 pieces of silver

which Judas got for betraying Christ. Let us see what the Commission can do.

Muslim opinion is at present very much agitated on the question of music before mosques and cow-slaughter. But it cannot be too often repeated that Government can never in these matters give an "ex parte" decision. The British Government whenever approached by one side or other to legislate on these questions have always taken shelter behind the immutable doctrine of religious neutrality. And hence unless Hindus and Mussalmans agree to any compromise no Statutory Commission can come to the rescue of the Mussalmans beyond securing complete religious freedom to the followers of the various faiths subject to the fundamental laws of the country. There is a large bulk of Moslem opinion which deems communal representation as the very bedrock of any constitution that might be framed for India and there are some Mussalmans who are apprehensive as to the result of their absention from the work of co-operation with the Commission. The British Government have given a solemn pledge to the Mussalmans of India that so long as they desire separate electorates Government will not be party to depriving them of what they consider to be their cherished rights. The pledge was first given by Lord Morley and Lord Minto; it was repeated by Mr. Montagu and Lord Chelmsford and has been further emphasised by the present Government. Even the present Government would not be capable of going

back upon Britain's plighted troth in order to punish the Mussalmans for daring to resent a policy which is calculated to humiliate India and, further, to please whom will they do this?

Hindu-Muslim Unity.

The Hindus have already declared that they will have nothing to do with the Commission. There are large numbers of Mussalmans who are anxious to secure for their co-religionists a fair and adequate share in the services of their country and they feel that the announcement of the Commission is a good opportunity to press their claim. In the first place it is most unlikely that the Statutory Commission will deal with the question of the services. Even if it does it is unthinkable that it can make any recommendations which are purely in the interest and to the advantage of the Mussalmans. They might at most recommend further Indianisation of the services. As to what share the Mussalmans should get in this increased quota given to Indians is a matter that the Commission cannot possibly decide. It is well-known that the recruitment is regulated now by the Public Service Commission and various Government Departments.

National Self Respect.

Therefore whether you take the broad principle of national self-respect or the petty and short-sighted consideration of self-interest, the Mussal-

mans cannot stand to gain by accepting the present Commission. They will only go down to history, as disloyal to their country at a critical juncture of its political development justly accused by other communities of having played false not only to them but also to their own Motherland. I am confident that my community will not adopt any such course or go astray, however, much interested persons may press them to do so.

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The Trade Union Movement in India

(9)

BY

N. M. JOSHI, M. L. A.,

(*Member of the Servants of India Society.*)

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TRADE UNIONS IN INDIA.

I. INTRODUCTORY.

A TRADE UNION, as it is popularly understood, is an organization of wage-earners for maintaining or improving their standards of life and the conditions under which they work. It is essentially an organization of employees, not of employers, nor of co-partners, nor of independent workers. Under the English law, and similarly under the recently enacted Indian law, even the employers' organizations may be called Trade Unions, and some of them are also registered under the Trade Union Act in England. But, popularly, the word is confined only to Associations of wage-earning employees.

In spite of what some good-natured and well-meaning people may say, or at least may desire, about the interests of the employers and the employees being identical, there is absolutely no doubt that, under the present industrial system of free competition and of capitalist control, there is a clear conflict between the interest of the employers and the employees as regards the conditions of service of the latter. Nobody has yet succeeded in discovering a standard by which the earnings from the products of an industry can be fairly divided between capital and labour. If labour's share is to be determined by competition, on the principle of demand and supply, a conflict for the determination of the market value is presupposed. But the Treaty of Versailles in its Labour Charter has clearly laid down that

labour is no longer to be treated as a commodity. The International Labour Organization has not yet succeeded, in spite of the good work which it has so far done, in discovering a standard to determine labour's fair share of the products of an industry and there is no near prospect of that discovery being made. When such a standard acceptable to both employers and the employees is discovered, it will have to be seen how far competition remains free and the capitalist control of industry remains unrestricted. Till this discovery is made, we must presume that the interests of the two parties do not coincide, and each party is justified in organising itself for the protection of its interests.

The main object of a Trade Union is to protect the interest of the employees when they come into opposition to those of the employers. Besides performing this chief function, Trade Unions all over the world have also acted as mutual benefit societies. The necessity for such work was forced upon them on account of the industrial revolution which cut off the workers from their old surroundings. Till very recently, the State did not accept the responsibility of insuring its citizens against the risks of sickness, old age, and unemployment, a provision the need for which became intensified after industrial development. The need for the organization of workers in separate associations is keenly felt when a country develops large-sized and organized industries, and when the division between the capitalists and the employers and the wage-earning employees becomes clear-cut.

and permanent. Before the industrial revolution, employers and employees could come together for mutual benefit in common organizations called 'guilds'. Such guilds exist even today in China, especially in those parts which are not yet industrially developed. The guilds also used to undertake mutual benefit work. In India, the guilds as industrial or trade organizations did not come into existence as caste in its secular aspect was itself an occupational guild. Moreover, well-built village organizations also served a very useful purpose in protecting the common interests of all, and protecting the individuals as members of a family.

India has been, and still is, mainly an agricultural country. Out of the total population, 230 millions are supported by agriculture. About 100 millions of these are said to be actual workers. But the number includes cultivating landlords and tenants and also mere wage-earners. The wage-earning agricultural workers number 21.6 millions and they support a total population of 37.9 millions. Besides these there are 52 millions of actual workers including those who work on their own account and those who work for wages in allied occupations, maintaining a total population of over 8 millions. Thus, it is safe to estimate that there are about 25 millions of persons who are mere agricultural wage-earners and, therefore, are a suitable field for Trade Unionism. But this vast number of agricultural workers is scattered over a very large area, is illiterate, and is the lowest paid in the country. However desirable it may be to organise them for

the protection of their interests, on account of their circumstances being unfavourable for the work of organisation they will come to be organized only last of all. The experience of other countries also endorses this conclusion. We hear sometimes of some Ryot Sabhas or Kisan Sabhas, especially in Northern India. But it is doubtful if they are real trade unions of agricultural wage-earners. From the accounts that we hear, their membership, if at all they have a regular membership, mostly consists of cultivators, owners of land or tenants, who cannot be said to be wage-earning employees under others.

There is only one class of agricultural workers— if they can be so regarded—who may be organised earlier, viz., the workers on the organised tea, coffee, rubber and sugar plantations. Their total number is 800 thousand. Even in their case, the difficulties of organization are many. Most of these come from the aboriginal tribes and have not yet fully come under civilising influences. Moreover, as these workers live on big and extensive plantations, they hardly come into close daily contact with the surrounding population, and are practically unapproachable by labour organizers. Till very recently, these workers were under the power of the Workmen's Breach of Contract Act, which punished a breach of contract of service as a criminal offence, and even today workers on plantations in the Province of Madras are not yet free from the Madras Planters' Labour Act, which also punishes a breach of contract of service as a

criminal offence. These circumstances explain why, although workers on the plantations are the lowest paid, there is still no trace of any organization amongst them.

Leaving agriculture and allied occupations, we may now survey the other occupations for determining the field for Trade Union activity. Industry maintains a total population of 33·1 millions, out of which 15·17 millions are actual workers. The last number consists both of independent workers, who work as their own masters, and of the wage-earning workers. I estimate that out of 15·7 million actual workers in industry, three-fourths, i. e., 11·8 millions, are mere wage-earning employees of others. Transport maintains a population of 4·3 millions, of which 1·9 millions are actual workers; out of these 1·5 millions may be estimated as wage-earning employees. Trade supports a population of 18·1 millions, of which 8 millions are actual workers, out of whom at least 4 millions may be estimated as wage-earning employees. Public administration supports a population of 9·8 millions, out of which 4 millions are actual workers, who are all wage-earning employees. Domestic service maintains a population of 4·5 millions, out of which 2·5 millions are actual workers and wage-earners. Mining supports a population of 540 thousands, of which 347 thousand are actual wage-earning workers. We have thus a total number of 49·1 millions of mere wage-earning employees divided as under:—

<i>Occupation.</i>	<i>Millions.</i>
1. Agriculture	25
2. Industry	11·8

<i>Occupation.</i>	<i>Millions.</i>
3. Transport	1.5
4. Trade	4
5. Public Administration	4
6. Domestic Service	2.5
8. Mines3
<hr/>	
Total	49.1
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But this does not exhaust the whole number of wage-earners in India. Out of the total number of 100 millions of actual workers in agriculture, as shown in census figures, at least 30 millions should be working as wage-earners from 4 to 8 months in a year. If their number is taken into account, the total number of wage-earning employees will mount up to 79 millions.

The goal of the Trade Union movement in India must be to bring these 79 million workers within its fold. It cannot be accomplished in a day. The work which is more urgent, or which is easier, may be taken up first. Broadly speaking, work in urban areas and in the organised industries and occupations, being both more urgent and easier, it is natural that that should be taken in hand first. It is estimated that 25 millions are living in towns, having a population of 10,000 and over. About 15 millions out of this population may safely be taken as belonging to the wage-earning classes, and about 7 millions to be actual wage-earners. Even this is not a small number to be taken up first by the Trade Union organisers for their activity. If it is necessary to restrict the

field still further, it can be done by confining the work only to the workers in the organised plantations and organised commerce. They number to-day 3·719 millions divided as under:—

I	1.	Plantations	...	...	820,000
II	1.	Mines and Quarries	...	...	294,000
	2.	Textile and connected industries			773,000
	3.	Leather industries	...	...	14,000
	4.	Wood and furniture industries			28,000
	5.	Metal industries	...	...	169,000
	6.	Glass and Earthenware	...	...	82,000
	7.	Chemical products	...	...	109,000
	8.	Food industries	...	...	109,000
	9.	Industries of dress	...	...	12,000
	10.	Industries connected with buildings			29,000
	11.	Furniture works	...	...	7,000
	12.	Gas and Electricity works	...	...	15,000
	13.	Miscellaneous	...	...	100,000
III	1.	Construction of means of transport			155,000
	2.	Transportation (Railways)	...	...	800,000
	3.	do (Shipping)	...	...	100,000
IV	1.	Organised commerce	...	...	100,000
Total...					3,726,000

To this number we may also add a portion of the 4 million employees of the State and 2½ million domestic servants. I estimate 500,000 for each class. Thus the total number of persons whose organisation may be taken in hand immediately is estimated at 4,727,000.

II.—A HISTORICAL SURVEY.

THE Trade Union Movement began in India since 1918. Before that date there were hardly any organisations in existence which may be called Trade Unions, except the 'Printers' Union' in Calcutta, now known as the 'Press Employees' Association' which is said to have been started in 1905. Since 1906 the Postal workers in Bombay and in some district towns had also some organizations in existence. Before that the cause of labour was on some occasions championed by some philanthropic individuals. When the first Factory Act was passed in 1881, Mr. S. S. Bengali, a Parsi, and Mr. Narayan Rao Lokhande, a Maratha, made a protest against the inadequacy of the protective proposals of that Act. In still earlier days there was some agitation regarding the hardships of the indigo cultivators and also of the workers on the plantations. But all these were sporadic efforts. In 1911 the Kamgar Hitwardhak Sabha was started in Bombay, made some representations to Government and intervened in several industrial disputes on behalf of labour in that city. But the body never claimed to be a Trade-Union. The Servants of India Society conducted for two years a Marathi weekly paper in Bombay in the interest of labour. The Social Service League, Bombay, which came into existence in 1911, was consulted from time to time by the Government on questions of labour legislation and did its best to represent the labour point of view.

The real beginning of the Trade Union Movement was made in the year 1918, when Mr. B. P

Wadia started the Madras Labour Union for the workers of the Buckingham and Carnatic Mills in that city. The Indian Seamen's Union at Calcutta also came into existence that year. The Employees' Association at Calcutta, which is a Clerks' Union, the Punjab Press Employees' Association, the G. I. P. Ry. Workmen's Union, an association of workers in Bombay Workshops, the M. & S. M. Ry. Employees' Union and the Indian Seamen's Union in Bombay were all started in 1919. The year 1920 was still more fruitful. The Ahmedabad Textile Workmen's Union, the strongest organization in the country, the N. W. Ry. Employees' Union, now divided into two bodies, the Indian Colliery Employees' Association, the Jamshedpur (Steel workers) Labour Association, the B. N. W. Ry. Union and the B. B. & C. I. Ry. Employees' Association (Ahmedabad), the B. B. & C. I. Ry. Employees' Union (Bombay), consisting of workshop men in Bombay, the E. B. Ry. Indian Employees' Association, the Wadi Bunder (G. I. P. Ry.) Union and the Bombay Port Trust Employees' Union, were all established in this year.

It is thus clear that the Trade Union Movement was started in India during the period from 1918 to the end of 1920. There were three main circumstances which favoured the growth of the movement during this period. In the first place, during this period the cost of living in India was steadily rising and the wages did not keep pace proportionately, although the industry and trade were passing through a period of unprecedented boom. The natural labour unrest that prevailed

found expression in many strikes, a large number of which were successful. The formation of most of the unions either immediately preceded the strikes, or immediately succeeded them. For some time it was thought that these unions were strike committees, but subsequent events belied this idea. It must, however, be admitted that a few unions started during the period have disappeared.

Another circumstance that helped the growth of the Indian Trade Union movement was the establishment of the International Labour Conference the first of which was held at Washington. Its constitution gave the right to workers' organizations to have their delegate nominated by the Government in agreement with their recommendations. This brought out clearly the necessity of not only starting labour organisations, but also of bringing about some sort of coordination amongst them in order that they should be able to make their recommendations with one voice. The result was the holding of the First Session of the All-India Trade Union Congress in 1920. Many unions were the result of the enthusiasm that both preceded and followed the All-India movements. The political ferment in this period had also some share in the development of the movement. It is on account of this circumstance that, for some time, it was thought that the labour movement in India was only a part of the political movement. But events have proved that, although it is true that some politicians did take part in the movement for some time, and perhaps with political motives, the movement is mainly economic.

in its origin and has ultimately kept up its economic character.

The movement thus started is steadily expanding. On account of the effects of trade depression many new unions have not been started, recently ; but, still, the movement is gaining ground for the old unions are becoming more solid and their working is being regularised. The Directory of Trade Unions published by Mr. R. R. Bakhale, as Assistant Secretary to the All-India Trade Union Congress, gives a list of 167 Associations. Out of this number about 60 organizations cater for Government servants. Although every Government employee is a wage earner, still, it is doubtful whether all of those organizations may be called Trade Unions. Some of these organizations serve, or at least include in their membership, some persons who belong to the officers' grade who are in the position of masters. They themselves may not like to be classified as labourers and permit the organizations with which they are connected to be regarded as Trade Unions. But those organizations which include only clerks and other subordinate Government servants and the menials may be regarded as Trade Unions. The best of these organizations is that of the Postal employees known as the All-India Postal and R. M. S. Association with a membership of over 30,000. Although some postmen and menials are included in this organization, a separate organization also exists for postmen and menials. There are two organizations for the telegraphists, and two or

three for telegraph peons. Of these the Postmen's Union in Bombay and the two Telegraph Peons' organizations, one in Bombay and the other at Lahore, are affiliated to the All-India Trade Union Congress. The total membership of all the organizations of Government servants may be estimated at 50,000.

The railway employees are organised into 25 organizations with a total membership of about 50,000. Generally, there is one Union for one line of railway, but there are cases of there being two or three organizations on the same line, but except in one case, namely, the N. W. Railway, the separate Unions on one line do not compete with each other for membership. Most of the Railwaymen's Unions are affiliated to the All-India Railwaymen's Federation which came into existence in the beginning of the year 1925. There are six Unions for seamen, two in Bombay and the remaining in Bengal. Their total membership may be estimated at 20,000. One special feature of these Unions is that, besides trying to protect the interests of their members generally, they also help them to find employment. The subscription is not generally collected monthly, but is collected when a member returns from a voyage. There are two or three Unions for Port Trust employees, with a membership of about 3000. There are two Tramwaymen's Unions struggling for existence, one in Calcutta and the other in Madras, and four Unions for motor-drivers and hackney coach-drivers with a total membership of about 2000. Taking together all the transport workers, including railwaymen,

seamen, tramwaymen, dock-workers, motor and hackney carriage drivers, the total of all organised workers in these industries is about 75,000.

The textile workers are organised into 20 Unions with a total membership of about 32,000. There are 18 Unions, for cotton textile workers, with a membership of about 30,000 workers, and two for jute textile workers in Bengal with a membership of about 2,000. The Ahmedabad Cotton Textile Workers' Union with a membership of 14,000, divided into 5 craft Unions, but generally working together as one Union, is the strongest trade union in the country. Next comes the Bombay Textile Labour Union with a paying membership of about 6000. The Girni Kamgar Maha Mandal is another Union in Bombay with a membership of about 3,500 which competes with the above-mentioned Union for membership. Madras, Nagpur, Cawnpore and Coimbatore are other centres of textile workers' organisations.

In the printing trade there are four or five Unions with a membership of about 6,000. Workers in the Jamshedpur Steel Works have a fairly good organization with a membership of about 9,000. In the mining area, in Bihar, there is one small Union with a membership of about 1,500. It is a great pity that the miners in India should not yet have a stronger organisation. There are 5 or 6 organisations for clerks and assistants in commercial bodies, with a membership of about 5,000. There are also some miscellaneous organisations. The only one of them which deserves special men-

tion is the Burma Labour Union. It is said to have a membership of over 10,000.

To sum up, the result of labour organising work during the last seven years is that, excluding the Government employees' organisations with a membership of 50,000, there are about 160 Trade Unions in India with a membership of about 1,46,000.

The All-India Trade Union Congress started in the year 1920 is the central organization of the Trade Union movement in India. As stated above, this organization has really preceded the establishment of its constituent units. Although this is somewhat contrary to what is generally expected, there is nothing surprising in this course. The necessity of the Trade Union movement as an integral part of industrial development is now recognised all over the world, and the countries that come under its influence need not and cannot go through the same slow process which had to be gone through by those which had been industrially developed earlier. About 52 Unions with a membership of about 1,00,000 are affiliated to the Trade Union Congress. It has so far held six annual sessions for propaganda and organization work. The Congress has also formed in some provinces Provincial Committees.

III.—THEIR WORKING.

MOST of the Unions in India have adopted a structure based more on industry than on craft.

The only important exceptions are the five Textile Unions at Ahmedabad. But even in their case, their craft character is greatly modified by all the Unions having a common office, a common President and a common Secretary. It is not suggested that the Trade Unions in India have deliberately adopted the industrial structure in preference to the craft structure, but it was so adopted on account of the fact that a large number of the Unions have been started by local efforts made for improving conditions under a common employer. But on the whole, the choice is a wise one and is in accordance with the modern tendencies in the Trade Union Movement in the world. Of course, the Unions are local in character and it is doubtful whether they will at all become national, although they will soon have some loose kind of national federation, as the Railway Unions have already formed their federation. In a vast country like India, where people speak at least 10 important separate languages, it cannot be said with certainty whether the centralised national Unions will at any time be found to be stronger than a federation of independent units. But, whatever view one may take on this point, it is also clear that the present small local unions will have to centralise themselves and the present independent units will have to be on a much larger scale than they are at present, but perhaps kept within manageable limits.

The activities of the Unions are so far confined to attempting to secure the redress of the grievances of their members by making representations

to their employers. There are hardly any, except perhaps half a dozen, Unions financially strong enough to render any monetary help to their members during a strike, much less in a prolonged strike. The five Ahmedabad-Unions with a membership of 14,000 may have a reserve fund of about Rs. 1,00,000. The Postal and R. M. S. Association may have a similar balance. The G. I. P. Ry. Workmen's Union, with a membership of 2,000 (workmen) may have a fund of about Rs. 30,000. The B. B. & C. I. Ry. Employees' Union with a membership of 1,000 (workmen) may have about Rs. 15,000 with them.

There is no Union in India which has yet made a beginning of paying either sickness or unemployment or super-annuation benefits. There are some Unions which have started a death benefit fund. Most of the Postal Unions, the B. B. C. I. Ry. Employees Union, the G. I. P. Workmen's Union and B. N. Railway Union are some of the Unions which have started such a fund. It is very doubtful whether the trade unions in India will develop this side of the work on a large scale, as is done in Great Britain. When the British unions developed their insurance activities, the principle that the State should undertake the work of insuring its citizens against the risks of unprovided-for sickness, unemployment and old age, was not generally accepted; but that principle is now generally accepted. It is certain the State even in India will have to take up these responsibilities at an early date. It is for this reason that in Europe there is a tendency in the new unions formed to avoid the undertaking of these activities.

Some unions in India for the purpose of their propaganda have started monthly or weekly journals either in English or in some vernacular. The Ahmedabad Unions publish a paper in Gujrati, the E. I. Railway Union publishes *The Weekly Mazoor*, the Bombay Railway Unions publish a paper in Marathi, the Postal and R.M.S. Unions publish a monthly magazine as well as monthly circular letters in English, the Employees' Association publishes a monthly paper in English. The B. N. W. Ry. Union and B. N. Ry. Union also publish their magazines. The All-India Trade Union Bulletin attempts to summarise in English the Trade Union activities in the whole country. These journals from their very nature restrict themselves to voicing forth grievances of the class of workers they represent. They hardly deal with the general labour questions and the principles and theories of the problem and its solution.

This record of work of the Trade Union Movement in India may not be such as to be very inspiring, but is not also very mean. There are considerable difficulties in the way of the work of organising labour in India. The greatest difficulty arises on account of the illiteracy and the general ignorance of the working classes. In a country where the percentage of literacy has not yet reached even the modest figure of 10, the difficulties for propaganda of any kind are patent and there is no method of making people realise their true condition, and the necessity of improving it. Moreover, ignorant and illiterate people who are always being exploited by all classes of people are,

naturally, very suspicious of approaching even their real friends. The second difficulty is that of the extremely low wages and the poverty of the people. Even in Europe only the highly skilled workers, who formed what is termed the aristocracy of labour, were first organised, and the low paid masses of workers are only very recently being influenced by organising activities.

On account of the very nature of the movement, the employers are not expected to be helpful to it. But the intelligent and fair-minded employers have to admit that, under the present capitalist system, trade union organisations are a necessity for the protection of the interests of workers, and if the employers will not give labour a helping hand in the formation of unions they will have at least to tolerate them. Accordingly, the attitude of the employers in India towards the movement varies according to the individual nature of the employer. But it may be said generally, that they first try to scoff at it, then try to put it down, and lastly if the movement persists to exist, they recognise it. The Government has framed rules laying down certain conditions on which organisations of their employees will be recognised, and, if these conditions are fulfilled, there is not much difficulty in securing recognition. Most of the associations of Government employees are, therefore, recognised. Sometimes a difficulty arises about outsiders being officers of the associations. I do not understand why any difficulty should be felt on this point.

A well-formed organisation will always require a whole-time officer. In some cases, no objection is taken to an outsider being a paid secretary. When an outsider who is paid is acceptable it passes one's comprehension why he should not be acceptable if he does the work without payment. In some cases, Government has taken objection to certain individuals being officers of an association, whether paid or unpaid. This is, again, an unjustified encroachment on the rights of an association to select its officers. It must be admitted that in the case of some associations of Government servants, no objection is taken to outsiders being even honorary officers.

There is one more point with regard to the associations of Government employees which deserves mention. In some cases, these associations have been refused permission to join the general labour movement by being affiliated to the All-India Trade Union Congress. In Great Britain, some Unions of Government employees are affiliated to the British Trades Union Congress and some are even affiliated to the Labour Party, the political organisation of British workers. Until very recently, there has been no objection taken by the British Government against their doing so.

Even some private employers have taken objection to outsiders being officers of the Unions of their employees. Where the employees happen to be illiterate, the objection may even be considered dishonest. It is a fact to be recognised that no employee likes to meet his employer as the representative of an organisation which has to do

sometimes things disagreeable to the employer for fear—real or imaginary—of losing favour with him, or on some occasions, being victimised. Another objection which employers sometimes raise to the recognition of a Union is that it does not in all cases represent the majority of the employees. If the employer is asked to make an agreement with the employees, the question of the organisation being representative for that purpose is relevant; not otherwise. But for the general representation of the grievances of the members of a Union, the Union must always be recognised as being competent.

The Agents of some of the Railways are trying a positive method of attempting indirectly to put down the Unions of Railway employees. They have begun starting some kind of joint committees to consider some of the grievances of the employees. But the Whitley Committee in England on the recommendations of which these joint committees are supposed to have been based, has made it clear in its report that it is wrong to try to start joint committees as a substitute for Trade Unions. On the contrary, in their proposals for joint committees they have given a definite place for the Trade Unions as representing the organised employees, and they have also made it clear that joint committees will work successfully only in those industries where the workers are organised. In the case of those industries where the workers are not organised, the Whitley Committee did not recommend the establishment of joint committees, but have recommended that in their case the Trade

Boards Act for fixing the minimum wage should be applied. Ignoring the findings and the spirit of the recommendations of this authoritative British Committee, on some railway lines in India these joint committees are being forced upon the workers. Needless to say that these attempts to get rid of Trade Unions will not succeed; but they will not fail to create a lot of bad blood in the meanwhile.

Another condition which is sought to be imposed upon Trade Unions, especially by railway authorities, and which is also imposed by the Government upon its employees, is that the employees' organisations shall not make representations about individual cases of injustice or grievance. This condition also is irrational. The experience of the Textile Unions at Ahmedabad and that of the Textile Labour Union in Bombay is that a Union can do a great amount of good to its members by taking up individual cases of grievances with the employers. The individual members are not in a position to make a proper representation of their difficulties and it is the business of the Union to make a representation on its behalf. The Union is in the position of an advocate to its members.

In America some employers make attempts to start Unions of their employees and put them on such a basis as to secure control over them and their work. In India one or two such cases are reported to have occurred. There is nothing wrong in a sympathetic employer encouraging his employees to start a Union. But when an employer starts a Union as a rival to the one already exist-

ing, or frames such a constitution for the Union as will keep it under his control, his attempts are wrong and will not ultimately succeed. In this connection, it may be noted that some Trade Union leaders try to secure from the employers the concession of having the subscription of members to the Union collected by deducting the sum from the wages. This is a wrong move. Those Unions which depend upon the employers to collect their dues will on a critical occasion fail to protect the interests of its members, unless the concession is based upon the solidarity and real independence of the Union.

IV—THE ATTITUDE OF THE GOVERNMENT.

THE attitude of the Government towards the Trade Union Movement in India, not as employers, but as representing the community, is somewhat difficult to define. At best it is that of neutrality. At the beginning they joined the employers in ridiculing it. Even now, they try to ignore it till recognition is forced upon them. In each province there are now at least a few well established Unions. But only in a few provinces is their existence recognised as the only available means of representing the views of labour. Provincial Governments on their own initiative, or on the initiative of the Government of India, have on several occasions to consult public opinion on labour questions, but in some of the provinces the only parties concerned, who are not consulted, are the Trade Unions. Similarly, in nominating members to the Provin-

cial Councils, as provided in the Legislative Rules of some of the Provinces, the voice of organised labour is not given due recognition. It must be conceded that on some occasions their organisations have been consulted and their recommendations accepted, but that is not the general rule.

There are grounds for believing that the attitude of the Government towards the organised labour movement is not only that of mere neutrality but that of deep suspicion. Every kind of labour organisation and every man who does the work of assisting these organisations is watched more closely by the C. I. D. than any other kind of organisations and individuals connected with them. Every labour meeting not even excluding committees are reported by the C. I. D. if they could be reported. This kind of espionage is difficult to understand except on the hypothesis that the Government has a deep suspicion about the movement itself.

The attitude of the Government towards Labour Legislation generally for protecting the interests of labour need not be considered here. Their attitude towards that part of legislation which affects labour organisation is the only point to be considered here. In this connection, the first point to be noted is that until the year 1913 there was no special criminal legislation affecting Labour organisations either way. Their existence was altogether ignored. In 1913, while amending the Indian Penal Code for the purpose of dealing with conspiracies, the Government

amended it in such a way as to make Trade Unions doing the only kind of work for which they are generally formed, in law illegal bodies. Under the existing criminal law, as contained in Section 120—B of the Indian Penal Code, an agreement between two or more persons to do an illegal act is an offence. The word "illegal" as defined in Section 43 of the Indian Penal Code includes *inter alia* anything which affords a ground for civil action. And an act done by two or more persons in contemplation or furtherance of a trade dispute, or in restraint of trade, may afford a ground for civil action and thereby would be illegal and would come under criminal conspiracy as defined in Section 120—B of the Indian Penal Code. This change in the penal law of the country was not warranted by any considerations. In 1913 the Government had to deal only with political or seditious conspiracies, and even if any legislation was justified for that purpose it ought to have been confined to that object. But the Government, taking advantage of that opportunity, passed legislation which went beyond the necessity of the time and brought Labour organisations also within the scope of the criminal law. It is not contended that the legislation is directed only against Labour organisations. It is also admitted that Section 120—B of the Indian Penal Code has been not even once availed of against a Labour organisation. But the fact remains that the legislation is there. The only excuse given by the Government in 1913 for thus widening the legislation was that they were bringing the Indian legislation in

line with corresponding English legislation. But this is not a fact. As far as the Trade Unions were concerned, the English criminal legislation was completely modified in 1906 by the Trade Disputes Act and the Indian legislation in 1913 did not take note of this modification.

The Trade Union Act recently passed has given the advantage of the English Trade Disputes Act of 1906 to registered Trade Unions in India. But the unregistered Trade Unions and joint action by workers without forming a Union are still subject to Section 120-B of the Indian Penal Code. This is one of the chief defects of the Indian Trade Union Act. The Act is also defective in another important matter. The immunity from civil liability is restricted to the members and officers of the registered Trade Unions. The Act also does not give the same wide immunity from attachment which is given to the funds of the all Trade Unions in England, to the funds of even the registered Trade Unions in India. Another important defect of the Indian Trade Union Act is that it has defined the objects of registered Trade Unions in a more rigidly restricted manner than is done by English legislation. The restrictions placed upon the powers of the Unions in spending their funds in helping the working classes generally are also unnecessary. If these defects are removed, the Trade Union Act will do great benefit to the Trade Union movement in the country.

The attitude of the general public towards the Trade Union movement in the country is that of

indifference. At present, for want of education, public opinion in India consists of the upper and the lower middle classes; the former has obviously capitalist sympathies and the latter has not yet realised that at least a section of them consists mostly of wage-earners and their interests are identical with those of workers. It is for these reasons that, although the Indian National Congress and other political organisations have on some occasions passed resolutions in favour of Labour organisation, they have not yet rendered any practical assistance to the movement; and as these organisations are at present dominated by the capitalists of the upper middle classes, it will be futile to expect them to do very much in the near future in this direction. That section of the lower middle classes, which consists of educated wage-earners, for want of an organisation does not possess much political influence and in the economic sphere they have not yet realised that if they remain apart from the working classes, their interests can never be protected effectively. If the present unemployment among that class has not yet made them realise this truth, they will have to realise it before long.

A superficial observer of the Labour movement generally forms the impression that those who take part in the Labour movement, at least those who assist in the work of the organisation, unnecessarily emphasise the duality of the interests of the employing and employed classes and they are sometimes charged with fostering class conflicts. Those who level this accusation against them show

a complete misunderstanding of the position. There is no class of persons who are as fully convinced of the undesirability of dividing society into two classes hostile to each other as those who study and take part in the Labour movement. They believe, more than any others, in the idea of human brotherhood and of the cooperative commonwealth of all communities and nations. They preach the ideal of cooperation in the place of competition. But as long as this ideal is not generally accepted and acted upon, they are unwilling to allow the interests of the weakest sections of the community to remain undefended. It is impossible to bring about identity of interests between the strong and the weak, the exploiter and the exploited. It is equality, the abolition of exploitation and the elimination of separate classes, which will bring about real cooperation among all and establish the brotherhood of man.

V—WELFARE WORK.

IT will be useful now to consider the efforts made by employers to start some welfare activities for their employees and the attitude which the trade unions take towards them. Welfare work covers all the efforts which employers make for the benefit of their employees over and above the minimum standards of working conditions fixed by the Factory Act and over and above the provisions of the social legislation providing against accidents, old age, unemployment and sickness. It is clear that either the Factory Act or

the social insurance legislation can only fix minimum standards which even ordinary employers can follow. But some employers for various motives, exceed these standards. What is done in excess of the minimum standards is welfare work.

The motives which actuate employers to undertake work of this kind are various. In those places where labour is scarce the obvious motive is to attract it. Even if labour at a particular place may not be scarce, the employer who offers somewhat better conditions than another expects to secure the better class of workers. Apart from the advantage in the selection of the employees, employers who undertake welfare work do it with the conviction that better conditions of work mean more efficient work. Some employers undertake welfare work to keep their workers contented and to keep them away from joining unions and to avoid difficulties arising from strikes. There may also be some employers who undertake welfare work, being convinced of the inadequacy of the minimum standards fixed by legislation as a fair reward for the worker's share in the work of production.

Welfare work may take the form of providing more space, more light, better ventilation, more suitable temperature, better water supply and better conveniences than are required by the Factory Act. It may also take the shape of making provision for a place for dining and for fresh food, baths, a creche or a school for children, medical help and first aid appliances—things which are not touched by the present Factory Act in the country.

Some employers also provide housing and open-air and indoor games and other means of recreation and physical exercise. Provision of sickness benefits, holidays with pay, maternity benefits, mother's allowances, either on contributory or non-contributory basis, managed either by joint committees of representatives of workers and employers or by the latter alone and profit-sharing plans form part of some welfare work schemes. Joint committees or workshop committees are established by some for the consideration of grievances of workers and for establishing a closer touch between the management and men.

It is beyond the scope of this paper to give descriptions of the various schemes at present conducted at different places and factories in India. It is sufficient to state that the movement has been started in India and though it has not attained the proportions which it has attained in America; and although the present depression in trade is not favourable to its extension, it is certain that welfare work has come to stay.

The value of welfare work in attracting labour, or as a means of increasing the efficiency of labour, depends upon its being done on a sufficiently large scale. Especially if the object of the employers is to avoid strikes, they must remember that the workers can easily calculate the financial value of what they secure from welfare work and what they stand to gain by an addition to their wage. It is wrong for the employers to depend upon the ignorance of the workers and upon their intellectual inability to make a comparative calculation.

The real value of welfare work consists in setting up higher standards of working conditions, which, by becoming general, may lead to the ultimate raising of the minimum standards fixed by law.

Under the present system of industrial management, where the interests of employers and the employees conflict with each other on many occasions, it is but natural that all efforts made by the employers even with the best of motives should be looked upon with some suspicion by the employees.

Moreover, as at least some employers start welfare work in order to keep away their employees from their trade unions, the natural suspicion which already exists in the minds of the trade unionists about such activities is still further strengthened. When the trade unions, besides their ordinary work, themselves undertake the work of helping their members in giving them medical help, in providing against sickness, unemployment and old age, they also come into competition with the employers and there is rivalry between the two parties.

The trade unions first stand for an adequate wage. They know that the amount spent on welfare work can never be so large as to be a full compensation for an inadequate wage. The trade union leaders also feel that all workers may not easily grasp this point and may be taken in by the apparent attractions of the welfare activities. They are anxious that the workers should be kept away from these attractions. Even supposing that the amount spent on welfare work is large enough, the

trade unionists feel that, perhaps, the employers also have the same feeling that these are mere concessions and not to be regarded as rightful dues as wages. This is confirmed by the fact that some employers have reduced the amounts spent on their welfare work during the present industrial depression without even giving notice to their employees. Trade unionists, therefore, do not value these concessions very much. If these concessions are given as a counter attraction to the workers, or if they come into competition with what unions do for their members, even the opposition of the unions to the welfare work is justified.

Moreover, the trade unions can never afford to forget what may happen during a period of strike or lock-out. If the workers are dependent upon the employers for housing, education of the children, medical help, sickness, maternity benefits and for all such matters, the unions will be greatly weakened in their fight with the employers. Some employers may not take advantage of this state of dependence of their workers during strikes or lock-outs. But instances are not wanting of employers having asked the workers to vacate their rooms and of having stopped all other welfare work during strikes and lock-outs. From the point of view of the workers, therefore, welfare work by employers is a source of weakness outweighing the benefit which the workers may enjoy from it. The workers want these activities to be undertaken by the State or by any other public bodies or by their own unions. This is a perfectly justifiable attitude and the workers and their unions cannot be blamed for it.

There is one more reason why the trade unions do not approve of welfare work by employers. A trade union includes among its members employees of many employers. If some of the members enjoy substantial benefits over others, the solidarity of the organisation suffers to that extent. The trade unionists, therefore, want conditions to be standardised. When welfare work is standardised, workers will not oppose it. British workers not only did not object but approved of the establishment of the Welfare Fund under the English Mines Act of 1920. But those employers who seek to secure an advantage over their rivals cannot approve of such standardisation. From the point of view of those employers who are actuated in their welfare work by the motives of either real benevolence or justice, such general adoption of welfare work is a clear advantage. If trade unions are to approve of welfare work it must be undertaken with clean motives and not in a spirit of rivalry or competition among employers, nor in a spirit of hostility to trade unions.

DAXINI SANSTHAN HITAVARDHAK SABHA, POONA.

THE FUTURE OF INDIAN STATES.

(*Reprint of the two lectures delivered at the
Maharaj's College, Ernakulam, Cochin,
on 2nd and 3rd October 1926.*)

(10)

BY

THE RIGHT HONOURABLE
V. S. SRINIVASA SASTRI, P.C.,
President, Servants of India Society, Poona.

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1926

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Price Annas Eight.

PREFACE.

The speeches delivered by the Right Honourable V. S. Srinivasa Sastri, President of the Servants of India Society, at Ernakulum, the capital of the Cochin State, give a lucid and full exposition of the problems of Indian States from all standpoints. The services rendered by the Princes in the past are gracefully acknowledged and what is expected of them in the future is described courteously, yet firmly. Mr. Sastri draws prominent attention to the changed angle of vision and has envisaged the dawn of democracy. He has laid emphasis on the fact that it is the will of the governed, which hereafter would be the mainspring of all public and political activities. He has very courageously advocated responsible government as the goal for Indian India, as it is now declared to be the goal of British India. Mr. Sastri has earnestly advised the Indian States' subjects to carry on their work, purely in a spirit of peacefulness, in a perfectly constitutional manner and through patient effort. These speeches therefore deserve serious consideration at the hands, of both the rulers and the ruled, in Indian States.

PUBLISHER.

Future of The Indian States.



TWO LECTURES

OF

The Rt. Hon. Mr. V. S. Srinivasa Sastri, P. C.,

President, Servants of India Society, Poona.

*(Delivered at the Maharaja's College, Ernakulam on
the 2nd and 3rd October 1926.)*

ON 2nd October 1926 in the evening, the Right Honourable Mr. Srinivas Sastri, P. C. delivered his inaugural Jubilee Lecture on "Future of the Indian States" at the Maharaja College at Ernakulam, Cochin. The hall was packed to overflowing and several Princes and Princesses of the Cochin Royal Family were present, as also prominent State officials and citizens of Ernakulam and Cochin.

The Jubilee Memorial Lectures, it may be mentioned here, form a permanent memorial of the Golden Jubilee of the College, celebrated in 1925. The administration of the Fund is vested in a Committee, consisting of the Director of Public Instruction, the Principal of the Maharaja's College and representatives of the College Staff and the Old Boys' Association.

Rao Bahadur T. S. Narayana Aiyar, the Dewan, in introducing the guest of the evening said, that they were extremely fortunate in securing the services of one, of Mr. Sastri's international fame, to inaugurate their Jubilee Lectures.

The Hon'ble Mr. Sastri, was a living example of greatness and goodness blended with devout service and self-sacrifice, in the cause of the motherland. He considered it was a great condescension on his part, to have come down all the way from Bangalore, to confer on us the benefit of his mature experience and encyclopædic knowledge.

MR. SASTRI'S ADDRESS.

The Right Hon'ble V. S. S. Sastri was then garlanded, amidst applause, by Mr. C. Mathai, the Director of Public Instruction. He then spoke as follows :—

Dewansaheb, Ladies and Gentlemen,—I have been presented to you in such flattering terms that I am more than usually nervous in the beginning. It will be a matter of great pride to me, if before I have finished, I have given no cause for regret to those who are responsible for my presence here amongst you. I have chosen as the subject of my lectures a topic, no doubt of immediate, I might say, of absorbing interest, but nevertheless one of very peculiar difficulty, not lessened by the fact that I address a cultured audience in an Indian State, while in the enjoyment of the hospitality of His Highness. Much that I may say in the interest of truth may be not quite to the taste of those that do me the honour of listening. But you will forgive a person who has a very difficult, a very delicate and a very involved subject to handle. And you will further remember that I come here to a very remote part of the country, among a people whom I do not personally know, and to talk about a subject in which from some points of view it may be said, that

they are far more interested than I am. I venture, however, to plead that, as I am a citizen of India and accustomed to deal with questions of public interest from an All-India standpoint, it may be well to you to summon all the patience, all the tolerance, that you may possess while I am speaking to you on the subject of the 'Future of the Indian States.'

THE DESIRE FOR UNITY.

For, that is a problem, as you will readily concede, in which, while you are primarily and intimately interested, you will not go the length of denying to the citizens of British India, an interest almost equal to yours in depth and earnestness. For what British India is to be, that more or less Indian States will have to be. We have inherited ancient culture which is, neglecting minor differences, almost of one quality—might I use the word, homogeneity—from end to end of this great country. Thus whether we belong to one community or another, whether we live in one province or another, whether the political institutions which mould our lives are of one pattern or another, whatever we may be, we all own the same hereditary civilisation, the same honourable traditions and, I believe, the same desire to be the citizens of a common land, under, if possible, a common government. That ambition may sound rather distant and unrealisable. I hope, within myself, that it is neither distant nor unrealisable; but many of you may think differently from me, and I know that my view is not shared as largely as I would wish it to be shared in any part of India,

but I prefer to stand by this generous faith and by this generous standard.

A CONFIRMED OPTIMIST.

If, therefore, I speak to you sometimes as a very hopeful person, as a confirmed optimist in matters concerning the future of India, be pleased to remember that I speak for a very large class of Indians, who have imbibed the new spirit, possibly the greater part of the young women and young men of India, whom in colleges of this character we are rearing up to be the citizens of our future India. Moreover acquit me if you please of any desire to force the pace. What I say relates to a far-off future. How far from to-day depends entirely upon our exertions, upon the sacrifices that we in British India and you in Indian India are prepared to make for the realisation of this great and moving cause.

THE ALL-INDIA VIEW-POINT.

Ladies and gentleman, one more word of preface. You will be so good as to remember that I am burdened with almost complete ignorance of the conditions of Cochin. I lie under that handicap in addressing you to-day and to-morrow; but from my point of view it is not altogether a handicap or a disadvantage. On the contrary my ignorance is a guarantee that I speak from a completely detached attitude, that in what I may say there are no local allusions, either hidden or transparent, and that you will listen to these remarks of a person who speaks from beginning to end with the sole desire to examine the subject at issue, from an All-India point of view, from ex-

perience and knowledge gathered in other parts of India, knowledge of officials, high and low, and, if I may venture to add, knowledge of the spirit that moves the authorities in the highest sphere.

So much then by way of prefatory remarks, in which I do not customarily indulge. One other point of necessary introduction, I will ask your indulgence to add. It has often been said by those who have paid attention to Indian affairs from the inside and with a solicitude really to advance things, it has often been said, I believe myself with a great deal of truth, that in India the politician and the patriot have to confront in their daily task all the difficulties which politicians and patriots have to confront in any part of the world and many more difficulties peculiar to India and all those difficulties greatly aggravated by many peculiarities of our country and our peoples; so much so that many friends who come with sympathy to study the problem on the spot from other continents, after acquiring a fairly intimate and extensive knowledge of the country and the conditions of our political, economic and social life, have thrown up their hands in complete despair and said in the confidence of private talk to us "Well, we wish you Godspeed in your efforts, but we dare not think how soon you will succeed," which is a euphemistic way of saying that they consider all our problems nearly insoluble.

A BIG PROBLEM.

Of all the difficulties and problems from which the most powerful minds shrink, the future of

Indian States is by no means the most easy or the most simple. In point of fact, as you well know, the presence of Indian States, 561 in number, of various sizes and populations, very different indeed in their culture and in their natural outlook, the existence of these Indian States with conditions which vary indeed, almost as much as any human conditions may vary, the existence, I say, of these Indian States is often looked upon by the political antagonists of India, as their sure shield and bulwark against the future. So long as there are Indian States, about whose future neither Indian nor European, has ventured even to make up his mind, so long as they exist on the map of India, the day of Dominion status for this country is forever receding. It is to that problem that I am going to address myself, not so much with the desire of imparting my views, as with the desire of communicating my doubts and misgivings and asking you in your several ways, not to-day or to-morrow, but for many a long day that is going to dawn upon us yet, asking you to ponder over these issues, not from the standpoint of the subjects of His Highness of Cochin, but if you can and to the extent you can, from that of citizens of India. While the words come easy out of my lips, this mental translation of yourselves, from Cochin citizens to the citizens of India is an extremely difficult process. Some of you in your rashness may think you have achieved it: "I read the *Hindu*, I attend lectures in a grand first-grade college, and I am going to sit as a candidate for a University examination far away in Madras; what more is necessary for me to complete my political education? I believe myself to be an

Indian." So some young men may in their rashness think, but I will take leave to tell them from my somewhat longer life on this planet, that these mental changes are extremely difficult to accomplish. Conditions, as I said, vary extremely from province to province even in British India. That they vary almost beyond recognition and so as to defy your power of understanding the problem in its complexity, that they differ so very much is without question. So that, then, we are addressing ourselves to a problem which by many is considered insoluble and by some not susceptible of an easy or a speedy solution. Let us apply our minds then to the task with the resolve that we shall be perfectly unbiassed—one qualification. The second resolve should be that we shall be fearless in facing the facts and coming to conclusions, not embarrassed by any considerations of local inconvenience, but facing only the ultimate issue, which binds India together of all grades, all types, all cultures and all political institutions.

THE CONGRESS AND INDIAN STATES.

For a long long time, the Indian National Congress set the model to us of our proper attitude towards Indian India; that was to leave it severely alone. Never bring Native States into our discussion, we used to say to ourselves. So rigidly did we carry our abstinence in these matters, that for a long time we did not allow any subjects of Indian States to be Congressmen. Some of you may remember that till a few years ago, you all laboured under that disability. Many are the causes and very varied are the motives that influenced our minds.

But I will just allude in passing to one of them. Why did we shrink from the touch of the Indian States so very much indeed? The principal cause, I will admit to you, was one of extreme nervousness. The cause of Indian Swaraj, Dominion status, responsible government, as we term it now-a-days, that cause has always had to fight against embattled forces of no mean order, interests of surpassing importance, institutions so firmly rooted, that you could not think even of shaking them. While these were arrayed against us, we did not wish to burden ourselves unduly. We did not wish, if I may vary the metaphor, we did not wish to have more than one battle front. We knew that the British authorities were difficult enough in all conscience to deal with. Need we summon into action 561 States, their princely houses, remembering ancient traditions, remembering treaties and sanads and engagements of one order or another, need we bring also into the field of action the subjects of Indian States, who in our fondness of that day, we used to imagine were perfectly contented to remain in a state of political nonage?

Let me however note before passing from this branch of the subject that during the last few years, a change has taken place in the attitude of the Indian National Congress, a change which the politicians of older time would have opposed and denounced as revolutionary. A great many of you now, venture to make pilgrimages to the annual sessions. You are there welcomed, not as in the old time but as Congressmen, entitled to take part in the deliberations, entitled to speak and vote upon all questions that come before that premier

political body of India. But I cannot help feeling that that change has not yet established itself firmly in the minds of the subjects of Indian States. Nor can I forget that, while this attitude is commendable in every respect, there yet is not discoverable that habit, which I should like to see, of considering the interests of the subjects of the Indian States as bound up with the future of India. We have admitted you to our ranks, we have conceded to you the right, but we have not addressed ourselves to the very peculiar problems that should exercise our minds, if you are to take your place in the future Dominion of India. The Congress has not yet considered any questions about the Indian States. On the other hand, the only announcement of any importance that has been made, is in the nature of a cold douche to some of the enthusiastic spirits, who may wish for radical changes in the administration of Indian States. The great mind which now fashions Congress politics, has chosen to admonish the patriots of India, to think well and kindly of Indian Princes, Rajas and Maharajas and Chiefs of every sort and description, to stand by them and not yet to disturb the placid and pathetic contentment in which their subjects live under them. Ladies and gentlemen, I venture to think that that is an attitude which cannot be maintained in the future.

THE WILL OF THE GOVERNED.

For too long in the past, our study of the questions of Indian States, scanty and meagre as it has been, has also been mistaken; for it has been regulated from the standpoint of the few princely

houses, whose rights, whose privileges, whose modes of administration, have appeared sacrosanct. We have not yet allowed the peoples, the subjects of these States, to come into the forefront of the picture. For, if it is true that in British India it is the wish of the people, it is the aspiration of the people, which hereafter is to be the mainspring of all public, of all governmental, of all State action; if that is to be the destiny of British India, I ask whether it is right any longer, to forget that even in Indian India it is the wish, aye, the political aspiration of the subjects that must be allowed to dominate all further action. That point must govern all our political thinking in future. Ah! I see how little you are prepared, some of you, to change your mental attitude so radically, but please to remember that it is impossible to avoid this way of looking at things, while the population of British India, with whom you are so intimately and inextricably mixed up, assume the new democratic attitude. If you are to realise the destiny, that we are determined to realise in British India, you must consider yourselves to be the primary, to be the predominant, to be the governing interest in the situation. I venture to lay that down with emphasis; for otherwise you cannot fully grasp the break that the present time is making between our political past and our political future. The declaration of August 1917 made that definite breach with the past. It is not Britain, its authors say, it is not the suzerain power, whose interests will be the dominant consideration in future, it is the interest of the governed, the people of the country, the

democracy of the future whom we are going to trust; and therefore we shall create constituencies narrow they may be at first, nevertheless constituencies with a real power of choosing their own representatives in free elections; and these constituencies will have real political power vested in them which they shall learn more and more to guard. Remember that that change is promised. Of course there are many conservative people in England, there are many in India, who think that that change can never happen. But, believe me, they represent a mode of political thinking which belongs distinctly and irrevocably to the past.

ONE COMMON TYPE OF GOVERNMENT.

Now, then, if in British India we are going to have responsible ministries answerable to Houses with full legislative power, if we are going to make and unmake ministries, if we are going to command the resources of the country, to shape political institutions to our purpose, as they do in western democracies, if that is going to be the destiny, whether far or near, of the various provinces which own British suzerainty, I seriously ask you, subjects of Indian States, how long will you remain in a comparatively unevolved political system? You cannot if you would and if some of you would, your children will refuse to remain in what was to you a haven of contentment. They will ask for something broader, they will ask for something more manly, they will ask for the same destiny as their brothers, their mates, their comrades in British India enjoy. That then will be the first point that

I shall venture to make in the course of these two lectures. It may not be that we shall all be under identical laws. There will be differences. But they are to be minor differences. There will be varieties of administration, but the variations will all have to be in a subordinate sphere. Your political ambitions may sometimes take a brighter, may sometimes take a dimmer hue, but in quality and substance, they cannot differ from ours, if India is to have one future and live as one political unit in the international relations of the world. For, mind you, even the people of British India cannot attain to their full status of dominionhood, if they are to be perpetually held back by men with less ambition than they. 70 millions you are in Indian India. If you are going to be a drag on British India and if the Crown of England, acting through appropriate political instruments, is still to interfere with the destinies of a third of the area and a fourth of the population of this country, responsible government in India would be shadowy, would be a delusion and a snare.

NEED FOR PEACEFUL AGITATION.

In British India, the democratic ideal acts directly on the individual. In Indian States the spirit of the future, the desire for reform and political progress, the motive power that seeks to establish a citizenship of really high and honourable quality in the future, that is acting on the subject through an interposed medium. That medium is the princely houses, ensconced in their power, in their more or less deserved popularity, in the loyalty which attaches their

subjects to them and to their thrones, and, I gladly admit this, in their general solicitude to advance the interests of the people committed to their care. I am not the person to withhold from the Maharajas and Chiefs the tribute that is their just due, that in the position in which they are placed, with their habit of looking behind, with their ideals derived from the past and with their desire largely devoted to the maintenance of their privileges, fancied or real, they are still actuated by benevolent intentions towards their subjects. It may be they are unwilling to give up the constitutional powers that they have enjoyed. It may be that they look with suspicion upon the approach of Democracy. It may be that the politician of the new type speaks in a voice which is too harsh in their ears. It may be that he walks along the path of reform with a heaviness of tread which disturbs their peace. Nevertheless, let us give them their just due. They represent the best that there was in the past. They have done well by us on the whole, and it will not do for us to add to the difficulties of our task by a sweeping condemnation, which must be necessarily unjust, of the way in which our princely houses have held their almost despotic power through the generations. Whoever may embark on that perilous enterprise, I will not follow him. But can we, fixing our eyes on a politically independent and self-governing India, can we afford to allow our Princes and Maharajas still to remain in that politically undeveloped condition? Have they given evidence that the new spirit has also entered their hearts? Do you think they duly

contemplate the fortunes, shifting and uncertain, that have hitherto attended thrones and empires long established? But in every part of the world, men in the enjoyment of power have found it very difficult indeed to surrender it, to pass it on to their subjects in quietness and spirit of resignation. We must be prepared then for a good deal of opposition from the Princes and their friends. They will be many, they will be influential and they will be powerful. We must be prepared then in the prosecution of our task for a good deal of opposition, with which we cannot altogether forbear to sympathise. Therefore we must conduct our work purely in a spirit of peacefulness. That is a method which will be attended with delay, but which will give us at every step time to secure the success that has been won. That which is obtained in violence and through force or by means of threats will be lost by the same means. What is secured peacefully, constitutionally, through patient effort, which catches the sympathy even of the hostile, is alone stable. It is this spirit which is going to win in the long run, and I do hope whether on the side of British India or on the side of Indian India, no precipitate step, no hasty attempts, no injustice and no harshness of judgment will ever be allowed to sully our record of progress.

ELIMINATE PERSONAL RULE.

One essential aim of all progress is the elimination of personal rule, however benevolent in its nature, and the replacement of it by what we call the reign of law, whereby a man becomes a full grown citizen and walks with head erect, owning

no fear towards another man, whoever he may be, but always walking with humility before the law, bowing to the lawful check imposed by the genial will, but knowing no further restraint upon individual or collective action. That is the spirit we wish to create in future India. The reign of law, that is what you have got to establish. The Princes must withdraw steadily and surely from active interference with the affairs of the State, as the sovereigns in constitutional countries have done. There is no escape from that. Justice must be administered by an independent body known for their knowledge and integrity and protected from the manifestation of displeasure by the Royal houses and their retainers. Justice, must be administered by courageous judges, who will not hesitate to give judgment against their sovereign, if they find that sovereign not dealing justly and according to law. This and other corner stones of a really progressive and popular administration will suggest themselves to you. But they are just the things which in British India are still an aspiration and by no means an established fact and in Indian India are much more difficult of achievement. When the politically-minded subjects of the Indian States met the other day for discussion of common subjects of interest, they could not meet in the territory of an Indian Prince but they had to meet on British soil. Well, that is not an encouraging circumstance to begin with. Then, will you allow me to say that the one most discouraging feature and handicap for the progressive politicians concerned with the welfare of the Indian States is the extreme paucity, shall

I say, entire absence, of a single newspaper of independence and courage, conducted with dignity, fearless of the frowns of men in authority; there is not today in existence, within the jurisdiction of our Chiefs, one newspaper which can command the confidence and the respect and the prestige, say, of the "Times of India" in Bombay, concerned, I mean, with the welfare of the 70,000,000, of our people, who live within the Indian States. It is not possible in the present political atmosphere of these States for citizenship of a strong and erect kind to establish itself. It is not possible for your political aspiration to find free and unfettered expression; you sadly need from champions of the Press, that aid, that constant support and that effectual shield, which you must be able to call your own and which will be a measure of the stage that you have attained in political evolution.

EXTREME VIEWS.

Before I finish today, I must put one question and answer it, however perfunctorily. What has been the contribution of thoughtful people to the solution of this problem? Most of it, one regrets to say, consists of loose thinking, dangerous ideas and profitless speculation. On the British side, we have retired Anglo-Indians airing the views of the ancient day, when "strength" was the supreme merit of an administrator and his one unpardonable weakness was a desire to consult the wishes of the governed. These oracles, who acquire sudden importance in times of trouble, seriously propose that the political map of India should be entirely recast, that the direct rule of the Crown must be

abandoned and that British India must be parcelled out amongst the Rajas and Maharajas, already in existence or to be brought into existence, by reason of their loyalty and extreme pliability. The question whether we should like it in India would appear to them to be irrelevant. What should it matter how they ruled us, provided they took the trouble of keeping the peace and allowed British exploitation to go on uninterrupted? I suppose men can be found from decadent royal houses, willing to be of such ignoble use, to a foreign power. I see from the way you receive the proposal that you are inclined to dismiss it as foolish and impracticable. So it is; but while we need not consider the proposal itself seriously, we cannot afford to ignore the mentality behind it. You never wholly root out an error; some venom remains behind. In this case the venom is the idea that the further progress of India towards democracy must be effectively barred and that as a means thereto the Indian States must be preserved intact with autocratic and irresponsible sway over their subjects. We must resist this idea to the uttermost. At the other end certain Indian politicians, having no hope of mending the States, can only think of ending them all. On this view, the Dominionhood of British India is possible only, if Indian States be abolished and all their territory pass under direct British administration. I wonder sometimes whether the authors of this proposal realise its enormity. It strikes me as hardly less chimerical than the proposal we have just dismissed. So we shall do well to strike a middle path. Not only because a middle path is safe, but because in emerging from

an old system we must keep what is best in it and embody it in the new system. Certain of these States have done well and served some purposes of value, and it is only fair, if they have the elements of adaptability, to give them a chance of continued usefulness in the future.

II

WHEN we parted yesterday I was saying that the holders of hereditary power would find it very hard to give it up, howsoever we might endeavour to make it easy for them to do so. I said further that we must try and discover a middle course between the extreme views held on the subject on the one side by those who think that the salvation of India under the British Crown would be best achieved through the creation of more Indian States, and on the other by all those who think that that consummation would be impossible unless there was a complete elimination of the Indian States. We know as a matter of common experience in British India how difficult the I.C.S. officers find it to transfer the powers of government that they now enjoy to the hands of the people. Our Indian Rajas are in a position which makes it even harder for them; for you will remember that they are not, although clothed with despotic authority on paper, really and always masters in their own households. Often-times when things go wrong Indian Princes and their friends point their finger to the Residency, and the Residency in its turn throws up its hands and points its finger to the Palace. We, here, friends

of both, but committed desperately to neither, we who are anxious only to know the truth and have no partialities unless we own to a partiality for the future of India and the attainment by her of Dominion status on an equality with Australia, Canada and Great Britain herself, we, I say, find it very hard to fix the responsibility. Very dangerous are the systems of official work where responsibility cannot be fixed, where one man can point to another and that another to a third, and they who are aggrieved and suffering cannot say, to any party "I have suffered at your hands." Dangerous I say in the extreme, undesirable, unworthy is the maintenance of an institution in which wrong could be done but no one could be held responsible. Secrecy, secret despatches, mysterious communications, orders and regulations, which nobody can understand; which vary from State to State or from moment to moment in each State; these form the pabulum of a whole hierarchy of officers, and the poor States and their Princes, ground down beneath this system are, from this point of view, more to be pitied than to be condemned.

RESULT OF SUDDEN FREEDOM.

Unfortunately, however, there is another side to this question. And I should be wrong if I went away from this part of the subject without referring to it. I am not concerned with the apportionment of blame or the fixing of responsibility. That is no easy task. I am rather concerned with this fact, that the control of the political officers, mysterious and secret as it is, undefined in scope, uncertain in operation, and exceedingly untrust-

worthy in the results, the control of these political officers, I say, seems to be an essential if the Princes and their Governments are to be kept in order. I will not refer to the past, of which you may have personal experience but I have none, although we read of crime, aggression, and high-handed acts. We shall leave them alone. But let me point to this one fact, that during these last 10 or 12 years, when the policy of the Government of India has been as far as possible to leave the Durbars of our Native States free and untrammelled, political officers have as a rule not interfered unless gross misrule prevailed. That policy of relaxing the control almost suddenly over a set of people who have long grown accustomed to rigid and indeterminate discipline has had a very unfortunate effect. A great many of the Princes are not to be seen in their places. They are to be seen anywhere where enjoyment can be bought by their people's money. You go to London, you go to Paris, you go to all the fashionable cities, and you meet some Indian Raja or other, dazzling the people of Europe and corrupting those who go near them. Need I remind you of the cases of Nabha, Kashmir, Indore very recently and more important than any other, Hyderabad? These are the bitter fruits of the policy of relaxation of control.

THE REMEDY.

Now what has been the mistake? One cannot be exhaustive on any aspect of this question, but the inwardness of the situation is to be found in this. In the complicated mechanism of public affairs, where several agencies have to work together as one machinery for the purpose of yield-

ing certain results, if the pressure at any one place is removed it stands to reason that there will be a powerful reaction unless indeed we take good care that the pressure that is removed because it is objectionable is replaced by pressure which is unobjectionable. The mistake lay in releasing our Rajas and Maharajas from the control of political officers and failing at once to erect corresponding control amongst the people themselves. Every time control is taken off from above, it must be replaced by suitable institutions exercising control over those who have unlimited power over the destinies of men.

Why do we, in British India, discountenance the efforts of the Governors and members of the Executive Councils in the various Provinces when they ask that the control of the Government of India and of the India Office should be taken away, and say that provincial autonomy should take that form. If we had a voice we should not allow this at all, for to remove superior control is to make our Provincial Governments so many Provincial despotisms, from whose shackles we shall find it very hard later on to extricate ourselves. And so we ask that every time the Secretary of State's control is taken off, to that extent power should be transferred to the people who, through their elected representatives, will know how to keep their Provincial Governors and their advisers in due check and control. That is the line that should be adopted with Indian States as well. To the extent that the control of political officers is eliminated to that extent and promptly too, for a day lost will wipe off every chance of it in

future, attempts must be made slowly no doubt cautiously no doubt, step by step, so as to cause no undue dislocation, so as to allow preparation time for the people to understand the new-born rights and privileges. I say steadily and cautiously, and step by step, attempts must be made to transfer power to the subjects.

A SOLEMN WARNING.

How long do you think can our Rajas look to the British Army to keep their discontented subjects under due control? One of the terms of these treaties of which you so often hear is that Indian Princes are surrendering their armies, and that the British Crown must come to their help every time when there is a rebellion or a rising and help to restore order. Now do you think it possible when the British Crown itself has laid aside its power and lodged it in the hands of the trusted representatives of the people of British India, do you think it at all likely that the British Crown and Parliament, having taken that step themselves in British India, will use their forces for the purpose of shooting down the subjects of Indian States, merely because they ask to be like their kinsmen in British India, to be like their brothers and cousins over the borders. The Indian States had better be warned in time; our Rajas and Maharajas will find that the British Crown, having done full justice to its own Indian subjects, will rather sympathise with the struggling subjects of the Indian States than feel compelled by the terms of out-of-date treaties to raise their strong arm in support of mediæval despotisms. That state of things is im-

possible. You cannot expect that and therefore our princes, between their own struggling subjects on the one hand and self-governing British subjects on the other, will find their position more and more untenable unless they are prepared to declare that they would steadily and slowly pursue the same policy towards their subjects that the British Crown has in British India. Such declarations have to be made and cannot be long delayed. Every State must make up its mind to have a constitutional ruler rejoicing in the growing citizenship and manliness of his own subjects, guiding them with the wisdom that he and his house have inherited from the past, and from long exercise of power, guiding them to fitness for exercising the rights of self-government. That, then, is the destiny to which we have to call our Indian Princes. Well would it be for all if they understood that this was their destiny in the future. May we pursue an even and peaceful career of growth, ruler and ruled co-operating, each trying every moment to understand and sympathise with the other, both marching forward hand in hand, the one yielding continually with good cheer, the other taking with a due sense of humility and responsibility, prayerful that the chance of events may find them fitter and fitter for the exercise of hitherto unknown duties! Now then, that is the step that we have to take.

RESPONSIBLE GOVERNMENT, THE GOAL.

So far as I am concerned, Responsible Government is the goal of Indian India, as it is of British India. If we are agreed on that we are prepared for the next step in our argument. Now what do we

understand by Responsible Government? It is a phrase that rises easily to the lips, but what are its implications? Responsible Government is a government of ins and outs, legislatures at a given moment divided on one side into Government people and on the other side into Opposition people, hammering out great policies and small administrative measures between them, so that the one view and the other view may clash and produce a medium of safety and beneficence to the community. It means the creation of large and popular constituencies with power to elect people to the Legislature. It means further that these large and popular constituencies will be left free in their modes of election, absolutely unfettered as to the choice of their own representatives. It should not be left to the Crown or to any of its agents.

ARE ALL STATES FIT FOR DEMOCRACY?

Have we got the elements of the new polity in every one of our States? Are we prepared to say that in the 561 States and in everyone of them, there is material for the creation of such a democratic body? Of these 561 States only a few are large, have developed systems of administration and public education of some consequence. Only a few are rich enough to maintain this costly system; for, believe me, this democratic system is going to be much more costly than any other system. You have instead of one Raja in every State the possibility of 100 Rajas. The power is divided among them all in various tiny fractions. Each one of you is going to become a Raja in time, with a power of deciding vital questions over your own fellows, with responsibility not so imposing

nor so dangerous in efficacy as that which now reposes in your Rajas; but responsibility not less noble, not less exalted and not less calling for the high quality of statesmanship amongst you all. Now, everywhere it has been found by experience that a democratic government tends to establish committees for every trifling object. People wish to move here and there. Every one in offices tries to instal his own relatives or partisans also in office. For after all, you have a larger theatre for the operation of human nature. Now if that be the case, it is impossible to expect that every one of our States can really sustain this very costly and very elaborate edifice of Responsible Government. After all, ladies and gentlemen, remember, if I may venture to say so here, that a small State means small men, a great State means possibility of great men. A large theatre gives scope to a splendid actor; a small restricted theatre is not enough for the display of the abilities of the truly great ones amongst us. Every man will find that in a little State he has to live a stunted life, necessary opportunities are not open to him. I do not think that men of real mark and calibre will be content to remain bound down within the stern and narrow limitations of a small State. You can never rise to your full stature, and so we shall find that, out of these 561 States a great many—I will not say how many, I have not the necessary knowledge, nor has any one within my experience—a great many will have either to abandon this idea of Responsible Government and continue as mediæval despotisms, or else it is so difficult to say what will happen. A shrewd friend of

mine, writing recently in a magazine, fixed 15,000,000 people and 5 crores of rupees as the minimum population and the minimum revenue at the disposal of a State to enable it to sustain a measure of Responsible Government and, therefore, fitted to continue in the future Federation of India. He had not verified his facts or else he would never have put forward seriously a proposal, the conditions of which even Hyderabad, our Premier State, cannot satisfy. Out in the West, there are communities not reaching a million in number carrying on a system of parliamentary cabinet and full responsible government. Why should we not do the same in India? Now a million people in the West, the answer will be, can pay taxes, can bear public burdens, ten times, aye twenty times as great as the same number of people in British India. It is too true and therefore we should have to prescribe, I believe, a much larger population and a more modest figure as our minimum revenue. But whatever it is, the line has to be drawn somewhere.

SOME MUST GO.

There is no escaping that fact. If all the 561 Rulers and Maharajas, Princes and Princelings, wish to be continued through the long long avenue of perpetuity, I am afraid, their desire cannot be gratified. It is an awful thing for one to say that, but we are face to face with tremendous changes, the nature of which only those can realize who know the significance of Parliament, Parliamentary methods, Cabinet government and responsibility of the people. In the Montagu-Chelmsford Report some little hint is thrown out as to

the way in which this discrimination may be made, the line prescribed there being on the one side, that is to say, the side fitted for perpetuation and continuance, the Chief or Prince who exercises full autonomy in his own administration and on the other side lesser potentates who have some of the attributes of sovereignty, but not all. That distinction is mentioned there as one which it would be necessary to make as soon as possible, but nobody has taken action upon it. In fact, that particular chapter in the Montague-Chelmsford Report dealing with Indian States has hitherto remained beautifully on paper. No attempt has been made except to create that very peculiar body called the "Chamber of Princes," no attempt has been made to carry out any of the larger and more far-reaching suggestions made in that chapter. And why? Because it is so difficult to deal with this question of Indian States. Every State has its political connection based upon a treaty and that treaty or engagement, or sanad, whatever it is, is a contract entered into between the Crown or its representative the Governor-General of India, Viceroy if you please, between that official and the head of the Indian States concerned. Naturally our lawyers, like our Pandits, keen to discover the state of things as it truly is in legal enactment, lay a great deal of stress on what we may call the static aspect of the question. As things are there is no doubt whatever that a court of law must pronounce in favour of the eternal maintenance of these States in their present condition. But you and I and legislators and statesmen who look to the future.

of India, are not dealing with a static India, but with a rapidly changing India. When everything else changes, when the British Crown is going to be replaced, as far as the final control of Indian affairs is concerned, by the Indian people, when that tremendous revolution is going to take place, are these treaties the last word of human progress, even where India is concerned? I am saying something which will sound strange, which will sound destructive, almost cataclysmic in its effect. But really and truly, talking to ourselves as it were, in the innermost secrets of heart-to-heart talk, shall I ask you: Have these treaties and sanads remained unchanged since they were made? Have they not been subjected to mysterious interpretations, to additions, to addenda and corrigenda, of all sorts? Will not the Paramount Power tomorrow, if it pleases, tear up these treaties for its own purpose.—not for the benefit of the State or its subjects, but if it is necessary for the Paramount Power to set aside any of the important conditions of the treaty? I know no force on earth, no moral law that will prevent that happening. If then treaties and their articles could be changed for any one purpose, could they not be changed in the interests of the subjects of the State? What can be, I ask, of more commanding importance than the interests of the subjects of the States? In the final Court of Appeal which is one of reason, which is one of justice, which is one of fairplay, which is one of ascertaining and following the will of the people in every administration, nothing can stand in the way of this final consummation. I am not asking that all Indian States should be

dealt with in a drastic manner. I am only referring to those whose size, whose population, whose resources make it impossible for them ever to attain this high type of representative institutions.

OBSTACLE TO FEDERATION.

I am not assailing for one moment the purity or the rectitude or the good intentions of the governments. Let us suppose that these administrations are purified, rendered ten times as efficient as they to-day are. Will these limitations of population or resources then cease to press hard? Indeed you cannot fit these States into a system of Federated India, which we all dream of. For what do all our statesmen and politicians say? They say that the India of the future is going to be a system in which, the Crown and its representatives having retired into the highly honoured and respected, but very restricted position of constitutional rule, the people of India shall be the arbiters of their own destinies. Now do you think it is possible for 561 States, some of them not more than a few acres in extent, numbering no more than a few thousand people, having no more than a few thousand rupees at their disposal, do you even suppose you can have a Federated India of which there are so many, so diversified, and so incompatible items? It is, an impossible picture. A few States only, large enough to afford scope for their greatest men to rise to their full stature, a few States only where an honourable tradition has descended from generation to generation, for instance, Mysore, Travancore and Cochin, of beneficent rule, looking to the welfare of the people, maintaining the ancient Dharma according

to the best lights—it is only a few of these States that we can conceive of as entering into the future Federation of India.

WANTED A ROYAL COMMISSION.

Now who is going to draw this line of which I am speaking? No Prince will ever submit to a line drawn by any arbitrary authority. The most impartial tribunal of which the British Empire and the Indian continent is capable, the most impartial and authoritative tribunal, must be created for the purpose. Upon that tribunal or, Royal Commission, whatever you call it, must be the representatives of the British Crown, the representatives of the subjects of British India, the carefully selected representatives of Maharajas and holders of hereditary power and also, by no means the least, representatives of the subjects of the Indian States; for as I told you yesterday, hitherto somehow or other you have been kept in the background of Indian politics; and no change can be lasting, suitable or worth maintaining which does not drag you into the forefront and regard you as the people whose welfare and future are the things to remember. Now, a tribunal so constituted, a Commission so chosen, is the only body which can take evidence from all and sundry who are interested in the matter; it is the only body which can go into these treaties and engagements, examine them, turn them over and make recommendations as to which States will be entitled by their quality and by their culture to take their place in the Federation of India. Now, that causes a great misgiving. To ask for such a Commission is to ask for something

very big; and whose voice is it that will compel the appointment of such an authoritative Commission? It is not my voice, which is nothing at all; it is not the voice of the British Indian people only. It is the voice of the subjects of the Indian States which must now be raised. Else the whole thing will fall through. For, as I told you, statesmen in England, anxious to keep their sway over the people of India, are not likely, unless their hands are forced by an irresistible body of opinion, to come to grips with this question. You and we stand linked together as co-citizens of our future Federation of India, and although that institution is not yet come into body and form, it is you and I with our united efforts, the people of the Indian States and the people of British India, it is we who have to put our strength together, make our voice united and loud, so that it may be heard across the seas and the question of Dominion status and responsible government for British India be widened out into the question of Dominion status and responsible government for the people of the Indian States as well.

I have been going somewhat beyond my depths in bringing this message to the people of Cochin. Perhaps it does not please you. Perhaps you are appalled by the prospect. Perhaps you would rather remain where you are and leave the people of British India to go ahead if they please. But you cannot, I know. Be pleased to remember that our destinies are all linked together. I am anxious that, in whatever we say and do on this subject, we should be actuated by the very highest considerations; no

envy, no malice, no pettiness of any kind, no desire to push on the welfare of one community while the welfare of other communities is left in the cold shade of neglect. Such narrow opinions, such blinding considerations must be kept out of view:

A FORMIDABLE COMBINATION.

I must now refer to one aspect of this question which throughout this discussion is always present to our minds but which we dare not always bring forward. And that is the greatest question of all, which Lord Birkenhead, Lord Balfour and other great leaders of the Tory party are continually hurling at us; which a great many of Anglo-Indian rulers here are dinning into our ears, each in his own way; which a great many of the holders of hereditary power in our country are also continually pressing upon our attention. Are we really going to have responsible government in this country? Is the Declaration of August 1917 to be fully carried out? Do you know if there is any conceivable Ministry in England, whether drawn from the Labour party or from the Liberal party, or from the Lib-Lab party, whichever it is, a party of English statesmen who will be allowed to carry out in entirety the pledge and terms contained in that great declaration? Mr. Montagu is dead, and with him is buried his idea. That is the question which the enemies of India are constantly raising. It is no doubt true that the Secretary of State and the Viceroy have used the most powerful and emphatic language possible to repudiate the idea of any Government going back on the promise. It

is true that the King has come forward on his own authority and in his own august name to pronounce finality on this declaration. Parliaments have done so. Will those who manipulate Parliaments, those who manipulate the actions of the Crown, those who manipulate the policies which from time to time animate these political parties, carry it out in practice? Those are not wanting who suggest that if it was a mistake to make the declaration, they should not make the further mistake of fulfilling it; if it was a mistake to take an avowed and definite step towards responsible government, it would be a greater mistake to take any further step in any conceivable limit of time; if it was a mistake to teach the people of India that they too should be like other people in their own country, controlling their own resources, making their own governments and fashioning their own destinies; if it was a mistake to teach the people of India that it was their future, it was nothing else than a capital blunder, of which England of all countries in the world should not be guilty, to make good this promise to give over their own destinies to the people of India. It is with these reactionary and obscurantist forces that an alliance is to be struck, if it has not already been struck, by those who advise our Indian States and those who now command their resources.

WHERE THE PRINCES STAND.

I know that there are a few enlightened Princes, chiefly those who figure in the Chamber of Princes to-day, who have from time to time made a stout and manly stand for the attainment of the

inmost wishes and ambitions of the people of British India. Of their own subjects these enlightened people, however, have not taken a clear cognisance; when it comes to their own States they solemnly say, "What are we here for? We have looked after our subjects very well, according to the ancient Dharma; we have given them good government; we have kept each Varna, each caste, each Asrama, in its fixed duty. We have levied just taxes; we have dealt out justice and fair play amongst our subjects as we understand them. What more can our people want? If there is to be a change in the administrative method, if a touch of democracy is to be introduced, very well, there is a Representative Assembly." Here and there they have begun to have Legislative Councils and Representative Assemblies. Well and good so far! But as I told you before, this good intention, avowed by a few, acted upon by a few, has not yet taken the form of a policy to be pursued systematically; every little step taken is supposed to be an end in itself. No pronouncement, clear and emphatic, to which we could hold the proclaimer down as bound by word of solemn import; no such declaration has been made. I have sometimes suspected that these Indian Princes, who have wished so well by the people across their own borders, have been actuated not so much by a love of these subjects of British India as by hatred and suspicion of the British Raj. They have grievances and complaints accumulated through generations, their family pride trampled under foot, their rights taken away or at least heavily discounted, their privileges and self-respect invaded

at every step. They have, therefore, an animus against the British Raj and they rather love the prospect of that government being deprived of its power, and embroiled with its subjects. But they have always said: what is to be the moral effect of this transfer of power? It will be to make our subjects discontented in turn. They would like to pursue the same policy, and then what is the reason of Native States existing? Are we not here to govern in accordance with the genius of our people, to furnish that personal touch, that intimate contact between ruler and subjects, which has always linked us up together in one tender family union? Are we not here each one to consult local peculiarities, to make laws suitable to our population, to levy taxes which they understand and to expend them in ways which they have long permitted and tolerated?

Now, against this, there is something else that one would say. Even amongst politicians in British India, a class to which I belong, are there not people who seem sometimes, on this momentous subject, to be actuated by a similar motive not altogether exalted? You have read of people who say that in dealing with Indore, Nabha and Hyderabad, as the Government of Lord Reading did, the British authorities took a false step, a step that they should not have taken, a step which is an invasion of the rights and treaty engagements, a step which means in future a disintegration of Indian States and their greater degradation in the eyes of their own subjects. I do not know how many of you hold this opinion; but I am here to declare as loudly, and as clearly as I

can, that I am not one who shares it. I believe, whatever my views may be for the time being, embittered by many disappointments, angered by many breaches of pledges on the part of the representatives of the British power, I believe that, upon the whole, the proper functioning of our Indian States is only possible, the welfare of the subjects of these Indian States can only be guaranteed, if the British Crown and its representatives are always free to interfere and to interpose in the name of good administration, in the name of efficiency, and in the name of justice and fairplay to the varied communities and peoples who form the motley population of the Indian States.

CONCLUSION.

Ladies and gentlemen, I have said most of the important things that I wished to say. If it were my object to cover the whole ground evenly and with just emphasis, I should take not two but twenty lectures. It may be that a good deal of what I have said does not fit in with your scheme of future India; but we are here all of us to lay the foundations of good, of honest, of wise and sane thinking on this subject. I have put my views forward with that consciousness; at least don't misunderstand me. I have put them forward with great hesitation, with much misgiving. They are the first definite thoughts that I have formed on the subject. They are liable to change. But you and I have to pool our anxieties together, to pool our solicitude together, bring your ideas from the south and ideas of the people from the north, and out of

the general clash, a means will be discovered, provided only we erected a suitable machinery for the purpose.

When the 1929 Commission come out, he would be a bold man who prophesied what they would do with reference to this stupendous question of Indian States. But I have a fear that, with the very best of intentions, they will be unable to address themselves suitably to this question, amongst those which will be committed to their care; and they may recommend that this question is so important, big and covered over with difficulties that it should be committed to the care and scrutiny of another Commission specially appointed, for the purpose. If a Commission could be asked for beforehand, well and good. But if we, in British India after a continuous clamour not unmixed with threats of one kind or another, have not been able to exert sufficient pressure to call out this Commission one moment earlier than the 10-year period mentioned in the statute, it is not likely that your demand for a specific Commission is likely soon to be met. But even that Commission so appointed cannot do its duty and reach just conclusions without our putting our heads together and discovering some solution which we may offer to them for scrutiny. It is not therefore too early that this subject is discussed by our people. Time after time, our critics have said: What about the Indian States? The Indian politician only answers: "It is not my business to think of the Indian States; It you is who made the problem and it is you who must solve it." Our friends in England say: "We

are prepared to take the blame for our past wrongs. Tell us what we should do hereafter. And for Heaven's sake, don't forget the 70 millions of your Native States. Bring them into the picture of what India is going to be if we grant you everything you want". That is the desire which we all must conscientiously meet.

The people of England have somehow or other been made the arbiters of our destinies under Providence. Whatever systems we devise can only become law and begin to function when the people of Great Britain through their Parliament assembled have set their seal, the imprimature of their approval upon them. There is no use forgetting that solid fact. Therefore, if the good and honest ones amongst them, those who having enjoyed liberty through the ages, wish to extend the blessings of that liberty to others and amongst the others to the people of India for whose destinies they are responsible, if the good men and women wish to know what India should be according to the wishes of our progressive politicians, are we not bound to tell them our ideas? Dr. Besant and others have tried to put their ideas into the form of a Bill called the Commonwealth of India Bill. I approve in a great measure the provisions of that Bill, but I do not hope that it will commend itself to everybody. Other bills, other constitutions, may well be devised; but whatever we do, we should not make any longer the mistake we have heretofore been making, of omitting to give a due place to the Indian States in our picture. To that task we all have to address ourselves, and I have tried

in my humble way to contribute my share although it is only in the nature of a big mark of interrogation of doubt, of misgiving, of hesitating suggestion. I have confined myself to one single line of thought and kept everything else rigorously out of my scope. But as it is the constitutional aspect, its solution is a necessary preliminary and will also govern the solution of subsidiary questions.
