

इयिन्न प्रवर्त्तनम् Manu xi 63.

According to Manu, the use of large machines for
the commercial purposes is to be condemned and
forbided.

—*Babu Bhagwan Das.*

“Machinery is the chief symbol of modern civilisation;
it represents a great sin.”

—*Mahatma M. K. Gandhi.*

Without the pauperism bred by our present-day civilisa-
tion, we would have a veritable Heaven on earth.”

“The cry of labour is “Have productive labour and
productive capital.”

“Spiritualise your Economics.”

—*The Author.*

Most Respectfully Dedicated

In Loving Memory of

MY FATHER

To Whom I Owe All

That I Am

Or can Be In This Earthly Sojourn

But A Fragment of Him.....

He lived in DAILY Protestation

And Died in Protestation

Of what was Left ME IN Duty Bound

To Give Vent To IN SO MANY WORDS

AFTER HIM

AndTHE Result is This BOOK.

—The Author!

THE LABOUR PROBLEM

AND ITS COMPLETE SOLUTION
BY A COMPLETE CO-OPERATION AND
CO-ORDINATION BETWEEN
CAPITAL AND LABOUR,

—Also explaining a profit-sharing scheme: or the
price and due share" of labour in machinery out-put
(mathematically solved).

priv
disco

BY

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PREFACE.

We believe in Progress, because we believe and take for granted that truth will come out in the end, that truth shall be known, that is, truth will be recognised by us, or in other words, we shall move towards truth.

THE AUTHOR.

The above were the words that had formed before me in an inspirational moment in the days of inception of this book, long before it had taken its present shape either in ideas, or any thing more than a merest beginning. They were, however, jotted down in an offhand way; but as I look back to them today, they seem no less than to possess prophetic charm for me. It was an intense search for "the whole truth and nothing short of truth" that moved me on during my labours of well nigh over one full year—now progressing, now at a standstill; now in sight of the end, and now again lost in a maze of wilderness. The end has come at last; but "I am no expert nor specialist" is the lingering shadow over the joy and all the pleasurable sense that comes of accomplishment and achievement in the regions unknown and unexplored before. Perhaps I may have, after all, trusted my rational faculty too far. But how often have I not myself suggestively complained in course of the book, that the very "expertness" and "specialised genius" on the subject takes the man away from throwing any precious light on it—"for he is at once sold"? At any rate the wide range compassed by me within this small volume, from economics to sociology, ethics, and spiritualism, while no less trying to make it practical to the core and in each little detail; the very enumeration of these would rob away any so-called specialist or expert of his "specialised talents for attainment." I mean no self-praise when I say that from the out-set I had it in my nature not to give final credit to any idea until I had tried and tested and made it my very own; while language and the outward expression of any idea never engrossed my attention in the least possible. And so I might say now, after having

determined to hazard out this book at any cost that in touching this vast subject I am not afraid of the immense mass of literature that I have read, or left unread; for to my mind, most of it is words, words and words. I do not want to associate either cheapness or hollowness with them as my words would be no deeper and perhaps too often, uninviting and bitter. Only I would feel amply rewarded if the book would have shown my intense desire to delve into a subject in order to catch hold of the fundamental principles upon which alone, I can confidently expect, will rest the fulcrum for establishing equilibrium in the thought forces of the world, respecting one of the most vital problems in the womb of futurity to solve. We must agree there, viz. in the basic principles—or nowhere, if we would be drawn round a common centre of effort and organisation. If I should seek credit for my work, it should lie in my revolt that has been against the modern so-called “education” which in the words of Dr. M. Sadler in “Indian Education”, is in no small degree at the root of men’s “Poverty of intellectual initiative, of their torpid acquiescence in material theories of life, of their deadness to the higher satisfaction of the spirit.” I would even add the words of a certain chaplain, serving in the war, who when questioned as to what the men were thinking, replied thus:—

“Generally speaking, and here I find every one agrees with me, they are not thinking at all..... They have not been helped to, or expected to. Education has been merely imposition—the learning of lessons, not the stimulus to thinking.” Another sergeant said in reply to the same question. “It is difficult to get at the real mind of the man because of a sluggish and unathletic intellect, an inertia of the spirit, a tendency to do and submit to things because others do so. The Scotsmen I met were as a rule better educated than the English, and, more than that, they were three parts, self-educated. Yet they had as much or more of the tendency to hypocrisy as the English.”

To the same question a group of six chaplains wrote, “The prevailing weakness is superficiality. Men

(III)

are unwilling to think things out."

I have in my humble way made an honest endeavour and have done my little bit in "thinking things out", which is all that I can say in favour of the book.

Let me, however, go one by one over some of the significant features of the book.

In fact, the whole superstructure of the book is raised on the loan theory, it is made the corner-stone of every thing else. The poor ancient Hindu article of law about a loan being considered redeemed in payment of broken-returns of interest only when amounting to double the original loan contracted—and which I struck out as the solution quite accidentally by reasoning out on quite different lines, until finally I became aware of the concurrence—this law has been brought into lime-light and upheld very highly. Think of the enormous, nay fabulous amount of shipments of bullion sent from Europe to United States of America in payment, not of the war loan proper but as mere interest on it. Again as to how long the title to existense of interest-bearing capital continues is indefinite, as we would see, in the case of investments of rich countries abroad, and which investment is made in the beneficent interest of the country "required to be developed", whereas, in effect it is made a means of its exploitation.

Take the case of England and we would quote the following from the "Theory of the Foreign Exchanges" by the Rt. Hon. Viscount Goschen:—

"The interest and commissions which are still paid by almost every country to English capitalists, certainly form a noticeable element in the revenue by which England is enabled to discharge her enormous foreign liabilities." Again, "The large sums which England receives every year in payment of interest from foreign countries, considerably reduce the balance which, notwithstanding our enormous exportation, is almost always against us; the foreign loans negotiated in England increase her indebtedness at the time when they are contracted; but the annual revenues subsequently derived from them contributes towards its reduction,"

It is through their confirmation and patronisation of this "exploiting fraud" of the "advanced" nations of the west, that the League of Nations, otherwise the most ennobling institution that was the direct product of the last war, was not spared the well-deserved calumny contained in the words of M. Korniloff, the erstwhile dictator of the Soviet Republic, that

"It was a band of bankers, bourgeoisie and banditti."

and this blot was even more justifiable by later events in the light of the ravenous spirit shown by the Great Powers in the matter of settlement of the question of "mandatories". We venture to say, that nothing less than the adoption of our loan theory could wipe out the stigma.

One special word to England, however. Thou England, who art, otherwise foredoomed ! listen to me ! although I pose not the Delphic Oracle I must claim the privilege of a heart-to-heart talk with the country, the Mighty and the glorious today and of yesterday, in whose language I write today. Thy zenith, Oh England, has been reached and the psychological moment is drawn nigh when thou wilt be wanted no more in the Divine scheme of Evolution like Rome or Carthage, Babylon or Assyria or Egypt that had had their day ! A Great Fall, indeed, eh Cæsar ! Remember, "the retribution is in the act itself" and howsoever great and mighty thy iron and steel, it will rust in the mire and avail not; and the inexorable law would not take heed of thine splendour and in spite of it would dash thee to the ground, the law, that "Without feeling for One-ness of life, and thus securing co-operation to that end: feeling equally for the lowest human being of the meanest race as well as for the best and the highest, the greatest might and grandeur of the most resplendent of civilisations would be broken asunder. for the bonds that unite human nature are stronger than the strongest steel-plate". Beware Oh England ! in time, and save thy face and glory. Thou art so much removed from natural conditions and so much drunken with materialism that it were hardly possible for thee even to accept, not to say of adopting even half of what is here respectfully present.

ed to the world as "the solution". Take my advice in a word and instead of robbing other countries parasitically from a distance, "come and toil with us side by side under the same sun, by a wholesale emigration of your population and settle down in my country if you will."

Be humane above every thing. Break asunder your material laws of "Supply and Demand", by organising truly Brahmanaic orders above the trading and producing classes. Sell not education, or justice either, through any guarded monopolies. Breathe and feel the pure incense of the one organic existence of the One-Body—the body-politic-and-Social—so that the pain in any one part becomes the pain of the rest whole. But, naturally, there must be less and less individual freedom, as man attaches himself more and more with the money-mechanism. Formerly, in simple contrivances of one-man-combination of capital and labour, there was more freedom of action allowed, now less latitude naturally.

Regarding the importance that we have attached to "minimum-wage" at the end of the fourth chapter in the formation of truly Brahmanaic orders, and as some prominence has been given to this subject (in a rather different sense, though) of late by the Tradesunion congresses, I may say, that I have done but little justice to it and that a separate volume might have been written to amplify and ventilate those ideas.

I have not only suggested that the Labour Government as being the true custodian of the real interest of humanity—the labour-interest—would be the right Government, but that also to ensure its proper functioning for the protection and well-being of the least-provided labour, each State servant, from the highest down to the lowest, must be maintained on the minimum wage and no more. I have made a distinction between the minimum-comfort-wage-to-be-aimed-at and the actual minimum-wage-in-existence, and have applied the two in producing a practical scheme, given at the end of the book.

I have also attached the modern forms of legislatures or legislative bodies, as being more or less "sold" to property-qualifications and considerations, and in this I include to a certain degree the "rule of the majority" on which the "elections" to their constitution are based. I would not be far from right in asserting that the so-called "majority" can never be possessed of sufficient wisdom and intelligence for the right exercise of the "vote," and as such the higher and nobler will of the community must always be set at a compromise. The Government's function must be not only to safeguard the interests of all divided and competing interests according to the then accepted customs and usages of the society, but also to enforce better ones, as asserting the better and higher will of the community, so that the weakest unit may be protected against the strongest and the minimum-standard of comfort be properly guaranteed to all.

The truly Brahmanic order, from my view-point, must be composed of those satisfying certain qualifications and by virtue of which alone eligible for standing at public elections. Who would deny that the legislators of the country must be selfless people, whose main qualification must lie in the height of their sacrifice and not their property acquisitions? To the true Brahmana the whole humanity must be akin to his own family—he represents the idea of kingship: the father of the subject people. The spirit of renunciation, selflessness and sacrifice must be fully ingrained in his nature, the ideals of social service and public reform must be the stirring ideals within him. The diffusion of Free education must be the great pastime of his leisure. And, above all, he must be the greatest apostle of the average standard of living or the minimum-comfort-wage being secured to the lowest unit of labour.

To fulfil these qualifications, you may make a number of rules. For instance, he may be past the middle age, having led a respectable family life of a spotless character. He must retire with his family on the minimum-comfort-wage for the rest of his life.—renouncing all other sources of income, or if there must be any, it must be devoted to the State or public weal. After serving for at least one term of election, he would

still for the rest of his life continue to receive the minimum-comfort allowance, and would lead an ideal life worthy of example for others, and may be called upon to partake in any deliberations of the Government when so required. He would not be allowed to carry on any other business that may be a source of income to him, but would make education his sole pastime. We specify a certain age, such as of past fifty at least, because in the light of what we have written on "public morality" in our exposition of the Laws governing human population towards the end of the fourth chapter it would be clear that we should expect from a Brahmana of the realm not only complete renunciation, but also a guarantee for a life of strictest continence and so a future abstention from originating life even from cohabitation with one's legal consort of the other sex, and if in any special case this vow of continence may be voluntarily forthcoming the restriction of age may be removed. We hope we would be borne out in our conception of strict morality in the light that we should expect a true Brahmana or law-giver of the land to have risen far high above the carnal and material things of life that after all bind down our flesh and particularly because he must be imbued with exuberant love towards all the children of humanity as of one family and so not wish to beget his own.

Again, for the right exercise of a vote by an individual elector a minimum degree of intellectuality, such as equal to secondary or middle school education, or at least sufficient for newspaper reading, must be essential.

It must be apparent from the above, that when the common law, like any moral code, enters the private life of individuals to the degree as shown, it would depend a great deal at least on the individuals themselves adhering to it to follow it in the spirit, or only to the letter of the law as what happens in the present-day standard of morality of the world.

As for the grossest evil of moneyed-qualifications to Parliamentary elections, one might observe for the mere matter of saying, that we have now substituted "poverty qualifications" for the same as being a natural reaction from the

present system, but that would not carry conviction to those who would care "to understand things with the right eye", and surely the conformists to the minimum-comfort-wage plan would not be a hungry, starving people considering the proverbial "stability" of State services, but would, nevertheless, stand a surest guarantee for the protection of such of the community. The "vow of poverty" would not only help to strike out a most uniformly adaptable and average standard of living, but would also tend to humanise the laws of Supply and Demand by creating more opportunities of giving the most "idealistic touches" to life, by setting an example for the same. Who, indeed, has said it that Law and Polity are things existing in spirit and idea only and not a conglomeration of so many rules of conduct or of punishments for misconduct, like any material things to be seen in concrete shape; but that they represent the reigning spirit behind the curtain of realistic life as lived, or as ought to be lived?

Again, to those of my readers who may be sceptic at first glance in the practicability of such a scheme, I would hasten to point out, that there is first of all the entire department of education, of so many belonging to the noble profession of teaching or dissemination of knowledge, who would be by law of the realm duly qualified as above, as "*no knowledge must be sold above a certain price.*" Education and politics are in more than one way allied, or near to each other—as both requiring a life of public service of the highest kind, for which the one has to do with determining the present law of the land, the other undertakes to prepare the way for the ideals of the generation-to-come. I have laboured fairly long in the third chapter to explain the true nature of education, but this must go without saying that true education, which must consist in an expansion of one's mental outlook and developing, what we call "intellectuality", must always be like an ornament or embellishment and possess a cultural value of its own, to be always coveted by the rest of the multifarious departments of human activity. As I have taken no small pains to establish that all human beings, belonging to all the various occupations of labour, must so far as possible, enjoy equal physical comforts, *i.e.*, share similar life on the

physical plane, and hence when the labourers of each of the multifarious departments earn the same wage, the "cultural side" of the education department, or for the matter of that, of those who can "afford to dabble" in Politics, bears out even more prominently. . And this is exactly what we want to emphasise while enunciating the rules for the formation of the Great Brahmanaic Order.

Remember for all time that there must be guarantees for the purification of all knowledge, for there is not a shadow of doubt in that : "as man advances and increased responsibilities devolve upon him, he must make finer distinctions between "good" and "bad" for the additional powers to be rightly wielded." To give its due importance to this piece of warning, I may make bold, as acting on my belief, to say that every time in previous Manus or the Great Cycles of renewals of life on earth following upon cataclysmic destructions of the nature of submersion of whole continents under the sea—thus in each Manu science and human arts and crafts had developed to heights not yet even imagined by us, but the fall became inevitable from the failure of man to grapple successfully with the problem of problems—that of securing real equality of bodily-comfort on the physical plane; and each time the race of man had to be reduced to first principles of living by the manifestation of Divine Wrath, or say Divine Curative Mercy—for He is all-merciful—and the lesson must be learnt sooner or later ! Take heed, Oh race of Man, to save thyself from another blundering pitfall !

At this point, I think I would be prepared to answer the direct question so often and persistingly put to me by all sorts of people in connection with this book, the question as to whether "I am against machinery." Am I? Can any body be? I revert the question on my kindly-disposed enquirer, and still be credited with any sense of "civilised instinct", by denying which I should know I would be perty confronted by the convenient and apt remark of the so-called "civilised", that then I had not sufficiently developed the finer and highly-differentiated quality of nervous fibre to appreciate the complex machinery of the modern "civilised" life, and consequently the "natural" phenomena of "out-

distancing" and "unlevelling" in the well-defined and graded strata of our social rank and position. So, pray! don't let us be misjudged from the first impressions of this book, as the beauty of machinery-production exercises by itself an irresistible charm which must naturally win a place in the heart of hearts of its strongest critics. Who can deny that machinery is certainly nobler and more beautiful in view of less requirement of human labour, better organisation, stabler existence, not to say of its artistic and cultural side? My attitude, besides, is constructive from the first to the last, and broad-based on the full belief, that if a moral standard equal to the need of the times cannot be evolved, we had better go back to our primitive past rather than handle "the power of the giants" in the quicksands of "stinking materialism of the grossest kind", as seems to be the order of the day. Is that question answered?

From the above, however, we would not mean to be understood that there is any implied assertion, such as, that there was any better standard of humanity shown in the older pre-machinery processes of employment of labour. But the difference lies in this, that whilst the "consumptive" employment of labour must always be guided by the social customs, the productive employment of labour was not then so extensive as in large-scale production of the present-day. Hence, there were fewer such dependents as of the modern type owing to the simplicity of instruments of production, and besides, without doubt, whatever else, they lived nearer to nature and their own native-village atmosphere than could be possible in the most unnatural conditions of the modern city-life. Our aim must be that the greatest number possible should participate in equal comforts of livelihood and that was true of the pre-machinery day, leaving very few cases of exploited labour at one end, and the other extreme of the handfuls of tyrannising aristocracy based on divine right. But to-day the greatest number has been precipitated down to the persecuted ranks of the modern "productive" labour, whilst the fold of the higher extreme has also greatly widened out—thus leaving the golden mean of an average middle class man in a most precarious condition of unstable equi-

brium, so that instead of forming a happy majority he is pulled in opposite ways by the wire-pulling processes of the modern system: sometimes licked and favoured by the beaming smiles of an aristocrat, and the very next moment threatened to be stranded down to the wretched ranks of common labour and thus finding it too difficult to keep on the coat of respectability intact, he is always living from hand to mouth. Such is the "contented" lot of the average majority!

Our check to one end is the Loan Theory, and on the other, that of the protection of labour by Labour Government. We have emphasised so much, beginning from the very first chapter, the multiplying-function of the machinery in respect of human labour, and should, therefore, be justified in drawing the conclusion that the theory of State production should be applied only to those concerns making use of that multiplying-function of machinery, such as of the H. P. Engines driven by steam or electricity, and no other private concerns.

This should lead naturally to a consideration of our theory of Private and State property. It is already discussed at great length in the third chapter, and I may only add that the history of the growth of the conception of Divine Right in property—beginning with the king of the realm and the Rule of Primogeniture and ending in the conception of modern Democracy, *i.e.*, the Rule of the Majority and Equality of opportunities—would bear ample evidence of the fact that all growth in the past was unconsciously forced by painful round of centuries of a slow moving evolutionary wave,—and all because it was unconscious. Henceforward, although we may not necessarily believe in forced marches involving a change of our entire psychology of mental and moral outlook, we would at any rate move in the wakening consciousness of advanced rationality. And we ought to do better than blundering in the abysmal deeps by a moral wreckage, when it would have to be admitted that "Ignorance is bliss". The way is yet long and tedious. The kingship was hard to surrender its divine right in property of the realm, and still harder will it be for us to realise and act consciously, so that we may

move towards a state of most uniformly and universally-shared physical comforts of life, which is only possible in this age of machinery by the fact that the profits of machinery beyond a certain point should go to the State, which in turn may employ it most productively by investigating on land, and thus counteracting the Law of Diminishing Return and thereby augmenting the true wealth and general prosperity of the whole community. The modern rule, born of material civilization, is to "snatch away as much as you can", but, henceforward, let our Government and education departments make for further counteracting checks to commercialistic and grabbing tendencies natural to an Individualistic age.

Remember, please, for all time that it remains fundamentally true that all mankind is but one—an inalienable, indefeasible whole—but for purposes of the proper division of the world's physical comforts, we have divided ourselves, from the beginning into so many divided interests, in which respect we are trained to compete with one another, and our refinement consists in making those rivalries as pleasant as possible. In the midst of these clashing interests, we have retained the institution of the joint-family, in which the rule can be possibly applicable, of "Work according to capacity and reward according to need", which is the only consolation after the day's work of competition. Yet, all these institutions are, after all, man-made, and can at any time be altered or modified by man to suit his changing needs.

As for securing equality of bodily comfort as within a joint-family, exports should determine the average of standard of living. No wages in any department should be paid over that. There is difference in the nature of work of the various professions, but if "all labour is sacred" its remuneration in each line must also be the same. It is true that some are born to order sitting, and the others to obey them only to toil and moil from morn till eve. But when we urge that the remuneration of both must be at par, you might say that as the various professions differ in the quality of work, so the remuneration in each must depend on the quality of work turned out by the individual. Well, there, while admitting

that it is by all means true that one may do the work involving hours to another in as many minutes, but—and we would make a big but. The thing is, you are not to multiply your gains above that average livelihood, and if work for the sake of work is a joy to you, or if you seek to find “rest in work”, you may by all means work gratis, work to lighten up others’ duties; but do not make your “extra time more paying”. Above that average you have no right, although for any thing below that you have got to compete and fight your way. The day when this uniformity is aimed at as the common goal of humanity and the relations between the master and servant smoothed down by this common understanding instead of the commercialistic spirit of Demand and Supply reigning between them, we would have the brightest dawn and a real millenium crystallised out on our earth—and not the less, the day of Fulfillment of God’s One Great Purpose of embodying human souls on this relative and finite plane of existence.

We believe certainly in the finest and minutest division of work and there is no need for either the highest or the lowest of labourers to be overworked. The ever-busy minister of State may employ hundreds of Private Secretaries to help him through with his vast duties while he may only move his tongue sitting at ease. But as a servant of the State he could not be paid more than “average” or minimum-comfort-wage. Certainly, leisure must be coveted more than an “increasingly-paying-time” above that standard, so that, by all means make your time more and more valuable, but with the object of creating more and more leisure.

Next, to apply the same rule to a trader or producer, as he would not require to be taught the value of accumulated capital for his purposes, and while any body was perfectly free to spend away his money any way he liked, a sufficiently strong check would have been applied to the “stability of incomes” of the capitalist class by our Loan theory allowing no more than double the return of invested money in broken form.

Next, to pass over to another time-worn institution, that of land-lordism which is no more than a commission-agent’s business between the Government and the tenant-farmer, and is the most crystallised product of the conception of heredi-

tary rights in property. We may say here, by the way, that the present day governments are for the best part living on Force, merely eking out their existence and barely justifying their position, growing as it is more and more untenable for them every day to respond in any degree compatible to the growing needs of the society. They nurture under their shadow the time-worn institution of land-lordism, and as having unnaturally adopted it as their chief stay, a source of revenue; have developed into a second evil based on the first. I would refer the reader to the economics of the case about so-called land-taxation presented towards the end of the second chapter; while in the light of the modern age of facilitated communications, when the tenant-farmers could be directly or indirectly approached by any centralised Government, even the canons of taxation of Adam Smith could not furnish any justification to the antideluvian system of land-lordism wrong in principle, and, in practice, found rotten to the core, and a heavy drag on the society. We have given the quite natural alternatives of either direct farming, or by means of employed-labour—but that rental-business of commission agency must be given a death-blow in due course, particularly owing to the pernicious effect of Ricardo's principle of "land rentals being the surplus of the land under cultivation over the marginal land."

Regarding the addition of the fifth chapter it requires, I think, some explanation to be offered. "It is at present foreign to practical politics" is what I have said in its very beginning; but its necessity that I felt, was to add one more justification of my loan theory, if one were wanting, in light of its effect on one of the most puzzling of currency problems—the maintenance of a standard of value. I hope it has much simplified the problem.

Lastly, I may say to those who fear "innovations" for the mere matter of name, that when the present mechanism has been a proved failure and has been judged by its after-effect and found wanting we should not make it too late in the day to prepare for the on-coming hours of the night of change and trials, of travails and turmoils, in order to greet the new wakening dawn of morrow of peace and plenty—

and so on and on, through each stage of progress and change leading to expansion on the march of evolution. The clouds of the inevitable change are long since in the air and are gathering fast and thick ; the horizon is overcast with forebodings; and it must be true that " nothing succeeds like success" it must also remain, that the preliminaries and essentials to success are, both foresight and risk of experiment.

Any Government, poor thing! 'cannot solve national difficulties—it is too much committed to the aristocracy' to the conservatism of old ideas of prestige, and privilege, to the vested interests and immemorable precedents and so it is incapable of imposing from above reforms on itself. It is for a people to fight and determine its Government and even in this struggle the Government must yield slowly, resistingly, to make its resistance sufficiently felt at every step, when alone it can remain true to its pledged word implied in its claim to security and stability, and when also the people would enjoy the blessed fruits of labour in a sacred fight waged to a successful end, in view. But remember that, although according to the well-known dictum of Thomas Paine, " Society, in every state, is a blessing ; but Government, even in its best state, is but a necessary evil", there is at any rate no doubt, that the slightest evil in the machinery of Government, is multiplied to *ad infinitum*, and so if evil must be fought in individual man, evil Governments must be the first and foremost to be destroyed. The instinct of the East requires every thing, however good and necessary to be imposed and superimposed from above, for to the Oriental all things seems to have a divine source—to come as the bounteous blessings of a Providence from on High guiding the destinies of the world. With the Westerner, however, things go different, and our hope also centres round the more virile race of my western brothers for taking initiative on the lines of my theoretical work. Suffice to say, in the words of Edmund Burke, " A State without the means of some change is without the means of its conversation."

Dated 14th Oct. 1921. }
 " GOKUL NIWAS" }
 Budaun (U.P.) India. }

P. M. L. VARMA.

CHAPTER I.

The iniquities of machinery-production and the futility of Trades-unionism and profit-sharing schemes.

What is machinery? That which multiplies the out-put of a certain commodity many times more than what can be obtained by the equivalent cost of human labour. It is essentially first a labour economiser and then a multiplier of the labour of the hands employed on it. It is the giant at the bidding of those in possession of it, and as the present age has no more giants striding the face of the earth, so it would also not tolerate men using their mechanical force like the giant. Herein lies the quarrel.

The labour of a few hands working a machinery is multiplied many times over resulting in many times more increased output, and thus in effect the capitalist purchases with his money by far more labour with the help of machinery than what his capital could be worth of. Because all money represents some accumulated labour, *i. e.* its equivalent in so much money as had earned it, and hence it should be able to purchase with it the same amount of labour of which it was the

fruit. Otherwise it must necessarily result in all the evils as those of an unstable standard of currency.

We know it as an elementary rule that money is convertible into its equivalent in labour and *vice versa*, or in other words, there is a reversible exchangeability between the two:

Money $\xrightarrow{+}$ Labour.

Now the capitalist's money ought to be able in all fair justice to purchase as much labour as that with which it was earned. But what happens is that the money is invested on a machinery plant by which its value to purchase labour is increased manifold, in fact as much as the lever of machinery multiplies the labour of the hands employed on it.

The question arises, why should the capitalist alone take all the advantage of the machinery giant to beget money for him, and not let the labour also derive benefit from it, that serves to multiply his labour? The answer is given that the plant belongs to the capitalist to do with it as he chooses, while the labour gets the same wage that he might have got at best elsewhere for the same amount of physical or muscle-energy put forth by him, and that the Law of *Supply and Demand* controls his wages quite naturally, because we see that for one labourer going out of work, any number of more are waiting outside to step in on the same wage.

Now let us first see how the plant came to belong to the capitalist. Take for instance a tea-growing concern, and it will be easily understood that tea plan-

tation itself is a multiplying machinery, as indeed all other plantations are, in the sense that one grain of seed bears out in the end a whole crop of like-seeds. All labour as on a machinery plant is hired, while the profits—and they are indeed some of the highest dividends on record in India—go to the capitalist. There is nothing new in the tea-producing industry which a common farmer does not know, the capitalist's business being only to collect the necessary stock together and reap all the benefits out of the fruit of the labour of others. The part that money plays is to provide a necessary organisation and then it also takes all the risk, such as of the failure of crop, market competition etc. There is practically no steam or electricity needed in the plant and yet in spirit and in fact it is essentially like any other factory production—only it is exploiting the labour of others in a more clear and overt manner. The plant is no patented piece of invention, but a common heritage of the farmer. In the same way are the artisans employed by the capitalists, such as for instance we may take the production of the finest Kashmir *shawls* and *carpets*, and coincidentally in Kashmir too the only weaving factories for the best part are owned by English capital.

Next let us take another case in which the plant is the product of some scientist genius. Did the inventor of the steam-engine or of another piece of machinery such as, take Edison to be the inventor of phonograph, now was he paid his due share out of the profits of all or any of the manufacturers of that instrument which carried his name to the four corners of the world? As another case, for instance, the famous *Krupps* factory

of Germany employed, say 300 experts in applied chemistry—and of course an expert means no ordinary thing for the high efficiency and specialization of these days—and what their research meant was simply to go on wasting thousands of sterling worth of chemicals and this for twenty years together, does not matter without success, but then if they once succeeded in making the smallest improvement in the technique of production in any industry the factory would have made up all the drain of twenty years in a single day. The scientist's inventive genius was hired in this case by capital in order that it might fetch higher dividends and exercise wider monopoly, but he was certainly not given any permanent share out of the greater profits accruing to the capitalist on his account.

So we would find that capital flows to wherever it finds possibility of prospectivity, but not, surely, until a particular invention, or improvement in any method of production has already become an open secret at least to the research-brotherhood and specialists in that line all the world over and is an accomplished fact. The capital is now attracted to the air-craft manufacture after the aeroplane machinery has become a matter of common knowledge. In fact, any new advance in knowledge which is patronised by the State, which latter must indeed accord every possible recognition to the merit of inventive-genius, becomes at once a public-property. Using the words of H. Cunynghame: "A patentee of an invention was once an absolute monopolist. Now in theory he is so no longer, for there are means of compelling him to permit his invention to be used at a price fixed by arbitration."

We know by law that a hidden treasure of natural wealth, even though discovered by private explorers, belongs to the State and hence is a public property. Even if monopoly for its extraction is granted to the explorer it is but temporary, for a limited time, and merely by way of reward. At times one's genius may go quite underwarded in on's life-time, as in many a valuable piece of art and literature, and yet the capitalist publishers of the same works have earned not a little afterwards.

Hence practically all the inventive genius of the race quite as much as the excavated treasure from under the earth, is a common possession of the whole humanity. Thus we see that in these days capital is all that makes any difference. It is the all monarch, can snatch away the profits of the labour of others as well as the highest genius of the race. Capital alone flourishes, "that which has will have more" come ringing true the words of Christ, and the Jewish principle "Money begets money" is now universally embraced by our civilized world. The modern capitalist is no less dangerous to human society—only he does not have to see with his own eyes the havoc his money has wrought—than the money-lender who is depicted to glee over the excruciating pain of extortion of money charged with compound interest from his poor helpless debtor. And doubtless the process of exploitation is nowadays so quiet and imperceptible, that no wonder how one fails at times to comprehend the amount of evil perpetrated in a certain time, and the true civilisation is so much duped with machinery and wrong ideas of "free competition" that

the modern capitalist unlike the butcher-Jew, the money lender of old, passes for the greatest gentleman of society, and if happening to be a bit charitably-disposed, he would at once become a philanthropist of the first magnitude.

Oh such be the dupes of misguided civilisation, drunken with the achievements of modern science, and turning the engines of progress into the giants of steam and electricity hissing out fires of destruction far and near among the poorer ones of their fellow bretheren ! We are handling the power of giants, but at the helm of our ship of State, the body-politic, we have been guided by some evil genii who, either do not know how to use the new forces for the benefaction of the human race, or knowing they have driven us, perhaps to serve their own temporary ends, to be engulfed into the whirl-pool of the inevitable disruption of all society bonds of law and order, and to be plunged headlong in a state of chaos and confusion and unequilibrium of the balancing forces of civilisation. The Bolsheviki are already the augury of the reactionary forces of discontent, resentment and retaliation, of the exploited peasantry and outraged labour, and unless our legislators and statesmen become wise in time, such armies of the hydra-headed dragon's teeth will rise from above the most unsuspected nooks and corners of the earth as would drench the soil with human blood, and until there are two men remaining to carry their heads upright, they would be down with the throats of each other and break their heads. Then all high and low will be reduced to level, the noble blood will run in with

the pools of blood of the ignoble, and the worthy philosophers and wiseacres of yesterday will present their heads to another sacrificial altar like the French Revolution in the last act of glorification and deification of the giant wheels of machinery, of which the grinding teeth were really the dragon's ominous fangs. Oh, who will be the blest like Cadmus to stand aloof and watch this with any little satisfaction from a distance, and to perpetuate the human race, and give it a saner lead of wisdom reaped out of the ashes of the old !

Thus, in the words of Edward Carpenter taken from his essay, "Civilization : Its Cause and Cure" :—
 " Then comes the Commercial age—the Oligarchy or Plutocracy of Plato. Honour quite gives place to material wealth ; the rulers rule not by personal or hereditary, but by property qualifications. Parliaments and Consitutions and General Palaver are the order of the day. Wage-slavery, usury, mortgages, and other abominations, indicate the advance of the mortal process. In the individual man gain is the end of existence ; industry and scientific cunning are his topmost virtues.

Last of all the break-up is complete. The individual loses all memory and tradition of his heavenly guide and counterpart ; his nobler passions fail for want of a leader to whom to dedicate themselves ; his industry and his intellect serve but to minister to his little swarming desires. This is the era of anarchy—the democracy of Carlyle ; the rule of the rabble, and mob-law ; cacuses and cackle, competition and universal greed, breaking out in cancerous tyrannies

and plutocracies — a mere chaos and confusion of society. For just as we saw in the human body when the inner and positive force of health has departed from it, that it falls a prey to parasites which over-spread and devour it ; so, when the central inspiration departs out of social life, does it writhe with the mere maggots of individual greed, and at length fall under the dominion of the most monstrous egotist who has been bred from its corruption.”

The question naturally arises, well, it is all very good to argue that in the old Christian—Jew controversy the noble Christian sentiments are to be respected, that the interests of human labour should be held far more weighty and sacred than the “wretched” money of the capitalist, but how can this be given a practical effect to ? We have seen the trades-unions being organised since more than a century back to fight out for more wages and their union aims at organising general strike. Now, for instance, we were informed the other day by Col. J. C. Wedgwood, M. P. in course of one of his Bombay speeches that the whole labour problem of England was now hinged round the small matter of difference of one rupee a day, since the labourite leaders were now demanding 7 Rs. a day as against 6 Rs. per day already earned by the labourer. But here might not the capitalist pertinently ask—or rather most impertinently as adding insult to injury by asking—what is the limit of your ever-increasing demand, how about your laws of Supply and Demand when you take recourse to the drastic and revolutionary measures of strike ? And you will have to admit that in

organising strike you are operating against the steady pressure of the natural law of Supply and Demand, so long as there is plenty of labour waiting to be employed, and thus your unions would have to steer always up and up in an endless struggle and giving way at last—fatigued and forced to acknowledge defeat and to admit that the tradesunion movement is no solution of the labour problem.

On the other hand, there are the profit-sharing schemes. They would only too readily issue out their transcendental injunctions and vehement exhortations that, 'Well, if the labour was not paid its "due share and just division" from out of the profits of a capitalistic concern, it was degrading for it and against its self-respect to be employed therein. That we must imagine the case for a time when we may look forward to, that the diffusion of education will be so broadcast that our most backward illiterate masses of today will possess no less knowledge to understand the machinery worked by them than the most "brainless and empty-headed" capitalists and captains of industry of the present day. That it was no uncommon sight even now to meet per-chance a man, howsoever qualified with the hall-mark of a University, yet loitering about in the streets of London and looking up in beggarly supplication to you for a single loaf of bread. So that when every body is well-read, there would not be wanting self-respect for them to assume that simply because of being capital-less they are not to belong to a colony of labour like some preserved forest, to draw upon for the world's labour, as "Hewers of wood and drawers of water." That

then will it be understood for the first time that human body is properly meant for as much exertion only as conducive to its normal growth and sound maintenance, and for no more torture ; while the pardonable precept of today as often advocated and upheld to us by our social reformers, that "all labour is sacred" will be actually translated into deed and fact and admitted on all hands. That, hence, instead of the labour to go on strike for securing more wages, why not on the contrary should the capitalist have to run after the labourers trying to persuade them to serve in their concerns, which should offer them their due shares from out of the profits ? That if the capitalist could do in a factory without the labourers, well, let him do alone, — so much so good, but if he has been taught to learn that the factory giant needed as much of his capital as the labourer's labour or expert scientific advice, and hence all have a share of profit to expect from the wonderful powers of that giant, then alone we would have come a step nearer to solution.'

But still the solution is as far away as ever, like the *ignis-fatuus* ever so elusive, except to cause us acuter disappointment and poignantly anxious moments from the very increasing consciousness of '*somewhere-something-wrong-with-the-system*' to which we are growing every day.

N. B. The author must needs confess here that he was himself once very enthusiastic about inventing a very equitable profit-sharing scheme and devised his own quite independently, as given below, until later on he came upon the knowledge of '*all-that-impractical-talk*' as had

been experienced by host of experimenters on the same lines. However, a brief account of it here, it is hoped, might prepare the general reader's mind to appreciate better the new line of author's theories.

“A Profit-sharing scheme.”

Well, division of profits must be an easy matter among all honest people. We know profit is according to the share; and how are the shares subscribed? The process is, that at the time the company is floated, the share-holders are required to subscribe only a part of their share-money, the rest to remain as call-money, which is either called forth when needed or by regular instalment payment. Now the labour in the factory is already graded according to the value of the work of each—with the directors and managers and engineers, for instance, drawing an income hundreds of times more than ordinary labourer. Their work is already valued at, and hence their shares in the company must be in the same ratio.

Suppose a clerk is engaged by the company on 100 Rs. p. m. Then his first day's work has pledged him like the first payment made by a share-holder in acceptance of a 100 rupee share, and it is understood that he is going to work for one month in order to earn 100 Rs. for his salary. But what about his share? Does he not work for and fight for one month to obtain a share of 100 Rs. in the concern for which indeed he had gone in the very first day? He does not charge his salary till the end of one month,

and the money which he pays from day to day in the form of labour, becomes equal to a fully-paid-up share of 100 Rs. for him. Now clearly the payment is of the same nature as the part payments of the share holder, and a dividend declared on 100 Rs. for one month should also be his due apart from his salary.

If the dividends could be calculated on each share of 100 Rs. every month, then for the first month of the clerk's service his profit would have been, say x_1 . Again the very first day of the next month that he does his work, he has gone in for another share of 100 Rs. while his dividend for that month is, say x_2 ; so for the third month x_3 and so on. Suppose the dividends are payable at the end of one year, then on a 100 Rs. share the dividend for one year will be, say $x = (x_1 + x_2 + x_3 + \dots + x_{12})$, and the average for one month on a share of 100 Rs. would have been

$$\frac{x_1 + x_2 + x_3 + \dots + x_{12}}{12} = \frac{x}{12}$$

Now suppose the clerk has not been paid his salary also for one month, then at the beginning of the next month, he has already one share of 100 Rs. fully-paid-up and is committed for another similar share, so that at the end of the second month, two month's salary would be due to him, plus dividend on one share of 100 Rs. for one month, and on two shares of 100 Rs., *i.e.*, on 200 Rs. for another month. And suppose he was not to get his salary like this for one year, he would have earned 1,200 Rs. for his salary, and dividend on $(1 + 2 + 3 + \dots + 12)$ shares of 100 Rs. each for one month. In this way it would

appear that the oftener the labourer gets his wages the more he is the loser of his share in respect of dividends, and if the employees were not to draw their wages for a long time, the shares of labour would have possibly outnumbered all those of the capitalists.

Next consider the case of a daily labourer. Suppose his wage is 1 Re. a day which he is paid up at the end of the day. Then the moment he began work in the morning he went in for a rupee's share in the concern, and when he has got his rupee, his profit on it for one day still remains at his credit. Again the next day he begins to fight for obtaining a rupee's share, and so on for the other days, thus his dividend at the end of the year is due on a share of 1 Re. for 365 days of the year, which can be easily calculated knowing the dividend on a share of 100 Rs. for one year. Suppose he had left the employment after a month's work, then his due from the profits would be the dividend on 1 Re. share for 30 days, or $\frac{1}{12}$ th of what he would have got if he had worked the whole year and similarly for any number of days that he might have worked.

Here it is to be noted that we take the same proportion of the dividend according as the length of time and amount of share may be, as if the profits accruing to the factory had been uniform throughout the whole year or years after which the dividends were declared and this would be perfectly right and justified. For we would have to admit that the masons who built the factory wall and chimneys were as much indispensable for the factory to make any

earnings after say five years, as were the mechanics who produced the output from the machinery. And whatever the dividends might be declared, we would have to preserve the record of all the labour employed in order to give them their due, and to be more accurate an average of the dividends would have to be taken for some consecutive years till it should become a constant quantity.

Before proceeding further to discuss the practicality of this arrangement we would lay down an important principle in this connection. We question what is the nature of capital? Admittedly, it would first require some people of organising ability who would then proceed to attract more labour as well as bring together the necessary stock—the coal and the boiler etc.—to run on a factory, for instance. Now it was the capital which engaged all the organising heads and other labour and paid all the establishment charges, and this to what end. Surely, so that it may grow and take the advantage of the multiplying-organisation. According to our proved hypothesis the labour also must share the advantage of the multiplying-function of the organisation. But suppose the factory were to work at a loss, would the labourers also share with the loss, so ask the capitalists? The latter further insist that their capital is permanently invested in the concern to share its fortunes whatever they may be—loss or gain—whereas the labourers are only come-and-go people, and there is no comparison between the two sections. But here we ask, who attracted labour first, surely capital, and why, in the hope that capital may

grow. Well, in case the hope proved to be false, who should cover the risk? Surely capital was responsible for its wrong speculation, for trusting itself to an incapable organising staff and for attracting so much labour, and hence must suffer alone all the risks of loss. And it is all the more to say in favour of labour that it is come-and-go quite a temporary factor that it should not suffer in the loss, because suppose it had been given the freedom to purchase as many shares as it liked by not charging its regular wages for a considerable length of time, it would have so many shares in the concern as would reduce all the capitalists' shares to mere insignificance, and would thus have almost purchased the concern after a certain time, which freedom therefore could never be given to it, as also, of course, the small capitalist like the daily wage-earner, for example, could never afford to pull on with his life without receiving the daily wage. And further as for the risk the labourer incurs no fewer risks, for if the business is a losing business, first of all he would also cease to get his dividends, and what is more, he stands a chance of being thrown out of employment any moment, and thus may have to undergo all the anxious suffering of suspense like any out-casted street-lounger until the day of his getting some other job. Hence we conclude that the capitalist section would bear the entire loss all alone, if that were to fall on the concern, while when the dividends are declared, the shares of labour would have to be taken into account.

To come back now where we left, let us take an example. Suppose the mason who built the factory

wall on a wage of say 10 Rs. a week, worked for 10 weeks after which he was dismissed. Now we know he ought to get the dividend on a 10 Rs. share for 10 week's time. And whenever the dividends were to be declared, there must be something for the mason, irrespective of the fact whether the wall of his construction lasted long enough or not, or whether his work might have been only of repairing or any other kind, for indeed all work, small or great, was conducive to the profits of the concern, and so long as the least bit of the old establishment remains, even say the old ground of the factory utilised, there still continues to exist a portion, howsoever insignificant, for the mason out of the dividends—possibly higher dividends—now declared. For who can deny that the factory which was not running well enough in the beginning might have improved immensely in later years owing to the experience gained at first? Hence, suppose the mason were to get x_1 as his portion of dividend for the first year. Again, calculated on the scale of second year's dividends suppose it comes to x_2 .

Let x_2 be $> x_1$; then the mason ought to have got $\frac{x_1 + x_2}{2}$ on the whole as shown by two year's result, which is $> x_1$ which he actually got after first year. Hence, he must be given $(\frac{x_1 + x_2}{2} - x_1)$ more after second year.

Next let x_2 be $< x_1$; then $\frac{x_1 + x_2}{2}$ will be $< x_1$, and it shows the mason has got already more by the

scale of first year's dividends, than what comes on calculation by the scale of the average dividends of two years. In this case by reason of our justification made above, the mason need not return the excess of his gains and the whole loss must be borne for that year by the capitalist section:

Again, suppose on the scale of third year's dividend the mason's portion comes to be x_3 . Let x_3 be $>x_2 >x_1$.

Then we know that $\frac{x_3 + x_2 + x_1}{3}$ which must be his due on the basis of calculation of 3 years' consecutive dividends; must be $> \frac{x_2 + x_1}{2}$ which he actually received. Hence, $(\frac{x_3 + x_2 + x_1}{3} - \frac{x_2 + x_1}{2})$ must be further made over to him to keep his account up-to-date.

If however, x_3 be $>x_2$ then no more is to be given.

Another case may be that $x_3 >x_2 <x_1$; and the excess of x_3 over x_2 may be far more than the depreciation of x_2 from x_1 and hence $(\frac{x_3 + x_2 + x_1}{3})$ can be $>x_1$, which he had got the first year and had proved to be an excess payment in the second year, but which became a lesser payment by the third year's scale of payment, and so the mason got so much as $(\frac{x_3 + x_2 + x_1}{3} - x_1)$ more. Generally speaking, the dividend might be due to the mason till the year for which the maximum of dividend is declared.

Next we would draw a schedule showing how to

calculate the profits accruing to the concern on the basis of labour-shares, and then to divide them per share of labour.

	Amount of Share	Length of time.	Equivalent amount of share for one year.
A, a mason— on 10 Rs. a week for 10 weeks.	10 Rs.	10 weeks	$1 \text{ yr. } \frac{1}{12} \text{ Rs.} :: 10 : x$ { A case of inverse Ratio $\therefore x = \frac{10 \times 10}{52} = \frac{100}{52} \text{ Rs./-}$
B, a daily labourer— on 1 Re. daily for 1 month.	1 Re.	1 month	$1 \text{ Yr. } \frac{1}{12} \text{ Re.} :: 1 : x$ $\therefore x = \frac{1}{12} \text{ Re./-}$
C, a clerk— on 100 Rs. p. m. for 1 year.	100 Rs.	1 year	100 Rs./-
...
<i>Etc.</i>	<i>Etc.</i>	<i>Etc.</i>	<i>Etc.</i>
...
			Adding these we have $(\frac{100}{52} + \frac{1}{12} + 100 + \dots)$ Rs. worth of shares of labour that remained for the whole year, and to this we add the capitalists' subscribed money which forms the stationary capital.

Then, the profits of the year can be divided out on the whole amount of money of shares, both subscribed and imaginary labour shares.

When once the profit of the year is calculated on 100 Rs. it is again by simple process of arithmetical ratio and proportion, that the profit due to each case of labourer is known.

Taking for instance, suppose the dividend declared on 100 Rs. for one year is 10 Rs. to calculate the profit due to A, the mason who had a share of 10 Rs. for 10 weeks.

$$\begin{array}{l} \text{Rs.} \quad \text{Rs.} \quad \text{Rs.} \\ 100 : 10 :: 10 : x \end{array}$$

$$\begin{array}{l} \text{Yr.} \quad \text{Yr.} \\ 1 : \frac{10}{52} \end{array}$$

$$\therefore x = \frac{10 \times 10 \times 10}{52 \times 100} = \frac{10}{52} \text{ Rs./-}$$

Similarly for B,

$$\begin{array}{l} \text{Rs.} \quad \text{Rs.} \quad \text{Rs.} \\ 100 : 1 :: 100 : x \end{array}$$

$$\begin{array}{l} \text{Yr.} \quad \text{Yr.} \\ 1 : \frac{1}{12} \end{array}$$

$$\therefore x = \frac{1 \times 1 \times 10}{12 \times 100} = \frac{1}{120} \text{ Re./-}$$

And for C, he will have earned Rs. 10.

Now it will be interesting to compare the respective wages of A, B, C, with the profits accruing to them.

	Wages calculated monthly.	Profits on labour—shares.
A, mason <i>weekly</i>	40 Rs.	$\frac{10}{52}$ Re. i.e. about $\frac{1}{5}$ th Re./-
B, labourer <i>daily</i>	30 Rs.	$\frac{1}{120}$ th Re./-
C, clerk <i>monthly</i>	100 Rs.	10 Re./-
...

It would be evident from this how much it would affect the wage-earner to his disadvantage to be paid up his wages at small intervals such as daily, which is worse than weekly and so on. Beginning from B, the daily-labourer, we come next to A, the weekly mason who gets about 24 times the profit of B, while his wage is only $(1\frac{1}{3})$ times of B. Again, the clerk C gets a profit 1200 times more than the labourer B, while his wage is only a little more over 3 times of B. All this large difference of proportion between wages and profits arises from the payments being made at different intervals, and the daily wage-earner is the greatest loser in the matter of profits on this wise.

As a practical rule we may count only whole number of weeks of service of labour and no fractions of a week.

That finishes the account of the method of distribution of profits on labour-shares—omitting further details.

Difficulties would naturally arise in cases of such big joint-stock companies, as owning coal and ore-mines on the one hand, and floating finished men-of-war on the other, or as in the works of a magnitude like the construction of the Suez Canal.

But the chief difficulty, we now dare give our opinion against the whole thing lies in that the very fundamental principle on which it is argued to share the labour in the profits of the concern for just the muscle-work of energy spent cannot be quite convincing to every body; and then even if it were, or granting it could be forced on your hands by law or

consensus of opinion, how much would that really improve matters with regard to the labourers' wages would be only too painfully evident from the results worked out and shown on the basis of a 10% profit to the concern. Why, then, so much ado over nothing much after all, would be the plain verdict of the public (leaving idealists), and, indeed, public opinion and popularity of a thing is, oftener than not, the best crucial test of what has already been on its trial for over more than a century.



II. CHAPTER.

Evil accentuated—A comparison with the old Polity—The genesis of capital and definition of loan.

Before any thing, we must make a clearest distinction between the two ways by which alone the capitalist's money can multiply or yield profits. One is by trade; and the second is by its investment in any productive industry. There is a gulf of difference between the two. Formerly, before the advent of modern machinery the second investment of money was practically unknown, while it had always served its function as a medium of exchange of commodities.

The work of the capitalist tradesman is to bring the producer and the consumer together, to do middleman's work. And we can have nothing to quarrel with his just profits. For, suppose a big merchant to open his shops at various centres kept by paid servants, in order that he may absorb the most of the middleman's profits. But in this matter even a much smaller capitalist than he has equal advantage in so far as he can also carry the same goods to the same centres where the former's shops were located, for trade purpose, and "knock down his prices to come to the front". In fact, the law governing trade is that,

“Money is attracted to whomsoever that can give it the greatest mobility and facilities of exchange. This is why the Post office and the Railway as giving an unequalled mobility to capital are monopolised by the state. But supposing for a while that trade has ceased to offer scope for further competition, that all the needs of the consumer are being supplied thoroughly at the very least or rock-down prices, and no new needs are being created, as might be imagined before the machinery inventions, neither the new ordering of old necessities, then necessarily the hoarded capital must remain idle and the above law would also imply that all the dead and locked and burried capital is bound to ultimately waste itself away, whether in building a Tajmahal for the Mogul Emperor or in maintaining a Turkish harem when the greatest capitalist plays the role of the greatest consumer.

But what have we today in the modern era of machinery : that a millionaire is making a headway to become a multi-millionaire and the field is unlimited for the productive employment of capital? In fact, before machinery came into use, most capital lay idle, and machinery provided channels for it to make it productive and live capital. It intensified the evil of usury not always by fetching higher rates of interest for the capital but by opening out an immense field for the productive application of all capital. And pray! what was that field? It could not always be put forth “to search new pasture-lands bright”, the field was naturally the capital-less to exploit for the capitalists, and of the latter the smaller to spread the table for

the greater and so on in ascending series to the greatest.

Let us now proceed to discuss how machinery without some preventive checks becomes instrumental of far greater harm than could ever be feared of from any excessive abuse of usury or money-lending at compound interest. We know evidently, there is comparatively a smaller circle of the capitalists and a larger one of the capital-less. To define the capital-less, they are those who earn their living but do not save or lay by any capital out of their earnings to be employed productively, *i.e.* they consume as much as they earn. On this point, it must be borne in mind, that all labour from the highest of an intellectual kind, down to the most unskilled, that involving mere physical strength, must be reduced in our consideration under the same class, as being in varying degree one's wage-earning "art"—skilled or otherwise. Now supposing the world's capital to be a certain fixed quantity and if all the other factors were to remain stationary and constant, obviously the productive application of capital of the capitalists would tend to narrow still further the smaller circle of the capitalists and enlarge the greater, their sum total always remaining the same. Now machinery acts like a double-edged wedge, it cuts both ways. First of all, it being the multiplier of the human labour throws many artisans, craftsmen etc. out of employment, they being unable to compete with it. It acts monopolisingly. There is a rearrangement of conditions to which people adjust themselves, some of them now qualifying them-

selves to serve on the same machinery which ousted them out from their business, and the rest taking to other lines of work, because the need in their old line is now satisfied. And assuming that the demand of labour in other lines too is satisfied, the turned-out people are then superfluous and must die out. This is the first shock to society. Evidently, a machinery cannot support the same number of people to the same degree of efficiency whom it threw out of employment, otherwise there would be no gains to the capitalist owners of that machinery. Hence few men make the earnings of many men, and the latter are bound to die out. Again, the continuous productive application of capital makes the smaller circle of capitalists still narrower.

We insert a few lines illustrating this point from the valuable handbook, Mrs. Faucett's "Political Economy for Beginners".—"A few examples of the effect of the introduction of labour-saving machinery may here be quoted from addresses given in 1887 and 1888 by Lord Playfair. In making boots and shoes, five-sixths of the labour formerly used has been dispensed with; in milling corn, the diminution has been three-fourths; in making agricultural implements 600 men could in 1888 turn out as many machines as in 1873 were turned out by 2145 men. In 1870 steamships required 47 hands for every 1000 tons burden; in 1888 only 28 were required. In the cotton trade, the speed of the spindles was, in 1874, 4,000 revolutions a minute; in 1885 the speed has increased to 10,000 revolutions a minute. When almost every given operation of trade causes the employment of fewer workmen,

the least skilled, the least steady, the least industrious, the least trust-worthy, the least strong, are certain, by a process of natural selection, to be the first to be thrown out of work. To such circumstances as have been referred to, may be attributed in part, if not wholly, the demonstrations of "the unemployed" which characterised the winters of 1886, 1887 and 1888 in London and in nearly every large centre of population all over England."

The machinery wedge is driven into newer channels of productive industry from day to day; and, as it is said, the "cutting-down" or elimination of middlemen's superfluous labour is the chief object of all capitalistic organisations. The wants of the whole community of consumers, comprising both the major and the minor circle, are daily becoming the monopoly of the capitalist section to supply: our hats, boots and cloth; our steel plate, building material or furniture, and in fact, what not? even our foodstuffs as coming from the capitalist landlord and the land-monopoly becoming more telling in its effects every day, in short all our needs are to be met with by the privileged few, the moneyed-class who can make use of the machinery-giant, and put us away for ever with a labourer's hand to mouth living. In all professions the lion's share of the profits goes to the few capitalists exercising monopoly over them—and what is worse than ever, if before the ushering in of machinery era any moneyed-man did a wasteful squandering-away of his hoardings, it went to support some or other labour of the major circle, however objectionable the method may be, but nowadays what happens is that, howsoever

you may spend your money on your luxuries, since all your luxuries come from some or other capitalist manufacturer of those articles of luxury, you would be only enriching some of your brother-capitalists after all. Thus it always tending to concentrate the money into the hands of the moneyed-class, we have practically the reign of capitalism—a “class rule”. It never happened so before, that the whole community might have had to pay such heavy interest on capital in its productive industries, over and above the wages of labour, and hence the money-lending class, instead of having to eagerly and parasitically await the commands of some unlucky client fallen into their clutches, can now take their own initiative in forcing even new needs on the public at large and that in the latter’s own “beneficent interest” and have thus grown to be the dominant class.

But if with the simple contrivances of the pre-machinery days, not much interest could have been charged on the community on account of the invested capital, while the simplicity of co-operation between labour and capital had not given rise to such a centralisation of the money-power into such few hands, the plea is forwarded by the advocates of modern capitalism that machinery has greatly cheapened the cost of production of certain comfortable equipments of life, which could now be easily afforded by the labouring class. This is indeed a nice plea, for first the lion’s share of the profits goes to the capitalist-class, next the labour supported becomes smaller—thus resulting in loss of labour both ways. We must certainly dissipate any such idea that machinery draws a heavier rate of interest on the invested capital than what the reasonable

rates in vogue of usury allow of. For reasoning this out objectively, we would find that machinery has tremendously cheapened the cost of production of things so much so that we are struck with wonder as to whether they leave any margin of profit at all for the capitalists. Such cheapness offers an irresistible bait for the consumer and hence increases the demand of the article. Increasing demand encourages the capitalist to lessen his rates of profit still further, which secures always a growing monopoly of the market for him.

Admittedly, no doubt all the machinery production is aimed at cheapening the cost for the consumer. But, with any new invention the first manufactured products are bound to allow of a large measure of profits, and thus in the beginning machinery enables even a small capital invested on it to be turned over many times more quickly by creating an increasing demand than could ever be possible without it. Thus at first the small capital goes on multiplying rapidly and acts in effect the same way as the charging of a very high rate of interest by the money-lender. But after a time climax is reached, sufficient capital has been attracted to the invention, and the demand created or already-existing is fully supplied at the lowest cost to the consumer, when the rate of profiteering on the invested capital cannot be more than the least possible, for so long as there is even a little interest derivable more capital is bound to be invested therein. Of course, for that reason an inventor may become a millionaire in no time, but afterwards his millions cannot for

always find the same scope in that line to draw more than the least amount of interest. Hence to offer a solution of our problem, that the profits accruing to the capitalist must not exceed a certain maximum rate of interest in vogue is no solution, as all excessive profiteering in trade and commerce has the greatest unchallengeable check in free competition. For instance, take the case of Dr. Alfred B. Nobel who strutted one fine morning on the celebrated kieselgüher deposits of Sweden which served as a safe vehicle for dynamite, and ran into a fortune. But could his hoarded millions for always breed the same millions at the same rate from the same line? Therefore, even in this age of new inventions big capitalists are often at a loss to find avenues and outlets for the productive investment of their capital at the most moderate interest, while no fears need be entertained that capital can earn a high rate of interest except in the beginning even through machinery in an age of free competition. For example, in the case of best of security, such as Government stock and securities, loans are issued in England on the small interest of so much as $2\frac{1}{2}\%$ per annum. As another case, take the loans raised in England for railway and irrigation development in India, we would learn as observed by the Secretary of State for India, while moving the second reading of the "Indian railways and irrigation loans bill" in the House of Commons on the 17th March 1910 that as calculated for the year ending March, 1909 the yield of interest from the railways of India was over 4% and from the irrigation 8% only, with the further remark that "few countries could show so

favourable a record." Compare this with the high rates of interest commonly charged by the usurers on reliable security and this with compounded interest.

What is wrong, then, with the moderate interest charged on the capital invested on productive machinery, arises the question in its natural sequence from the above considerations? And herein indeed lies the key to the whole mischief caused by machinery production. We know that the profits of capital are composed of three elements—first, the interest on on capital; secondly, compensation for risk, and thirdly, wages for superintendence. Now how long is the interest to be paid by the borrower to the lender?—surely, till all the borrowed capital together with the due interest up-to-date has been paid up. For how long ought a joint-stock company to continue to pay dividends to its capitalist share-holders?—for an unlimited time, for ever as long as the company exists in working order. Herein involves a question of direct or indirect ownership, you may say, and as to that we will settle it in our consideration of the definition of private property in the next chapter. But, do you mark the difference?—the capital of a joint stock company subscribed by way of shares is not in the nature of a loan, and hence the profits of capital, involving interest, have permanent title of existance; whereas the interest on a loan is of a temporary duration.

Thus we notice that before the era of machinery production, when practically no productive employment of capital could be possible in industries on any large scale, the money—lending class were content with getting but a temporary gain of interest from lending their

capital, but now they can charge the same interest as part of their profits from machinery production, and that quite permanently. Here is the case for the expansion of the "Class Rule" and the present civilization with its horrible aspects of pauperism is the result. The whole community has been sapped and drawn upon until bled white, in order that the whole capital might be concentrated into the few hands of the moneyed class, and the rest be placed at the mercy of the privileged few!

But before we proceed further to give an idea of the magnitude of all the multifarious evils of this "Class Rule" let us first enquire in a passing manner into the nature of the various recognised usages and processes of loan-taking and its redemption. It is needless to say that we are farthest from questioning here the legitimacy of capital to bear interest on it and trust not to be accused of raking up any of the old Christian-Jew controversy which was so well combated by M. Bastiat in France, who in a series of little tracts, tried to prove by a number of examples that the profits of capital were "lawful" and why they should be "perpetual". But still the conscience of man revolted from within, and in spite of all the refreshing vigour, and learned simplicity of M. Bastiat's lucid arguments, it could never be perfectly pacified and man intuitively felt differently in his heart of hearts! To see on the face of it, that one should be able to draw his quiet and easy interest for ever, and ever from out of the hard-earned fruits of others' labour, presented too plain a tale of exploitation for human feelings to

stand. For although the capitalist's money was an important factor in the production of wealth of the country, and as also representing his difficulty-boarded savings, thus augmenting the country's capital, it deserved by all means a fair remuneration, but that did not mean conferring upon him the right to fabulous rates of profiteering that he might derive from it, and that too permanently, as by its investment on machinery production. Well, for excessive profiteering, you may say, that it has an inevitable check in free competition, but what regarding the permanency of interest you derive from your investment. Suppose the money lent out by you has been returned to you twice over by way of 10% interest regularly paid for 20 years, should you not then be satisfied with your part of the bargain? Assuming your 10% rate to cover the general rate of interest prevailing at the time, as well as the compensation for risk in that particular line of investment, would you then be contented with the return made to you in the form of interest of double the original amount lent by you, or would you still make a demand for your principal as due so far the payment being reckoned as mere interest? Which course is more justifiable, mere human? You might perhaps think that because your debtor, or your bank or business, wherein your money is deposited must have been making much more profits than the interest made over to you, and that all because of your money that had remained there all the while, so that you had always a right to your interest, unless of course your original capital were to be handed back to you *en masse*. Well, Mr. Capitalist, if you cannot see others to get on

well with their living unless your teeth may be permanently fixed into others' bread and butter, how should you also expect not to have others jealous of your concentrated money-power and of your fattening on others' sucked-out blood ?

Let us revert to M. Bastiat and take up one of his oft-quoted examples. "There was a certain village carpenter James who made a plane, and in lending it to another carpenter William, struck the bargain that, the latter must give him a new plank as a compensation for the advantages derived from the plane, of which the former would be deprived. These terms were agreed to, but the singular part of it is, that at the end of the year, when the plane came into James's possession, he lent it again; recovered it, and lent it a third and fourth time. It has passed into the hands of his son, who still lends it." (Quoted from Mrs. Faucetts' Pol. Eco. for Beginners.) The example is further elucidated by the following reasoning. "The plane is the symbol of all capital, and the plank is the symbol of all interest. If therefore the yielding of the plank by the borrower to the lender is a natural and equitable remuneration, we may conclude that it is natural and equitable that capital should produce interest. James and William are perfectly free as regards the transaction to which the plane gave rise. The fact of William consenting to borrow proves that he considers it an advantage to himself. He borrows because he gains by borrowing." Now if we were to argue the matter thus: as every thing can be valued in terms of every other thing, let us assess the value of the James's plane in terms of the William's planks,

then after William has yielded to James the number of planks equivalent to the plane's value at the same old rate of one plank every year—would that not be just as good for James? Let us see. First of all James got just as much as one plank annually, what he got before. Then, if he has deprived himself of the advantages of the plane, it is also like before. Again, after once receiving his full value in planks he can be supposed to manage to manufacture one more plane like the one before, while he has still to receive as many planks more. James might thus continue the manufacture of the second and the third planes and so on at quite reasonable profits. Is not this latter arrangement more just, we ask, or would that be considered too revolutionary against our "too generous respect" for the sanctity of hereditary property and vested interest? And then, who is to decide that matter—poor James, or Tom, Dick and Harry for himself, or the community at large, the law of the land?

We trust it is time that the community should assert itself, as being now able to judge of a thing by its consequences. But although it has begun to keenly realize "some—thing—radically—wrong—somewhere—with-the system," it still lacks courage enough to raise even a little finger against the age-old superstitions about the so called "vested interests and privileged classes." After our bitter experiences of the machinery-era it is time now or never that we should revise, retrospect and take a stock, before it be too late to mend matters. We are, however, confident that a little change in our angle of vision would go a long way to change the

whole out-look into the future and prove a stich in time.

Let us argue out the point further. The advantage that a lender gives to the borrower is of his accumulated capital. Evidently he himself could not or did not want to employ it productively and so lent it out. Without lending it, it would have been "dead capital" and by lending it he has given to the borrower the benefit of the concentrated power of money. For remember, the rôle of capital in any production is to connect the labourer with his tools—sometimes highly-efficient tools, such as steam-power and with the other necessary stock; it also acts as leaven to the whole organisation—no more, no less. In a word, capital is the bridge, the connecting link between the labourer and the materials upon which his labour would play, so as to be conducive to make it productive; and it is hired because of its concentrated power. Suppose, for instance, we have got to put forth this book under writing through the press. We would have done our part of labour in finishing the work; the owner of a printing press might be seeking to obtain more business, to keep his establishment running; a merchant dealing in printing-materials might be wanting to get more orders for printing-paper and ink etc., but still suppose neither of us had even the necessary capital to defray the cost of daily labourers who had no staying-power without receiving their daily wages, although all of us including even the daily wage-earners might be thoroughly convinced that the work as soon as out of the press would pay its way and thus result in a great gain in which all would participate—but alas,

with a single break in the chain of productive elements the whole venture falls to the ground. Soon, however, a capitalist publisher is found, and all the difficulties melt away by a single stroke of luck to all concerned. That is putting the best case for capital, which comes to the rescue; now what must be its recompense for the service rendered in the production of wealth?

We would first of all, in this connection, show from the nature and function of capital, that it does not exert any directing force, as likely to be misunderstood, on the production of wealth from the particular line or profession as against another; but it is simply a measure of value of the demand in that line. In order that this be clearly understood, we would have to briefly trace the true genesis of capital. Imagine an earliest group of men. First there is a broad division of work, then the differentiation of labour. The producing farmer feeds the rest of the people who take to provide for the other necessities of man, so that they divide themselves into weavers, carpenters, smiths, and so on ultimately into more and more highly differentiated forms of labour. Similarly some of them form a Government who are pledged to equitably protect the interest of each and all the members of the State. Now, the real wealth of the country, the earth's produce of the prime necessities of existence, is divided into the constituent people—now divided into groups—of the various professions as well as of the government according to the degree of necessity of each of the multifarious departments of human labour to the whole community. The

producing farmer, has entered into a voluntary contract to "truck, barter and exchange" his prime essentials of life with the other comfortable equipments of our existence; and artificial money plays the rôle of a convenient medium of exchange. Now with a limited produce of the real wealth of the country, it is accordingly divided out in limited quantity among the various professions according to the degree of their need, as of course depending upon the law of Supply and Demand. No arbitration sits for the purpose of such a division of the real financial wealth of the country, which is allowed to take place of itself, but nevertheless, it is exactly in proportion to the need of a particular profession to the whole community. Now, suppose an immense quantity of more capital were to be invested in a certain line or profession, what would happen? As the need of that profession to the community would remain the same as before, the same share of the country's limited capital would continue to flow to support the profession, and hence the excess of the invested capital in that line would not bear proportional interest, and hence would have to be removed to some other line in order to be productive. Hence, we see that the investment of capital in any line did not direct any greater share of country's wealth to come to that line as a whole, except perhaps for making for a shifting of fortunes within the ranks of the same line. In fact, the directing force came from the community itself of which the changing needs were studied and even new ones created by some individual labourers and not surely by any amount of capital—hence to deduce, if you please after all, that labour comes first and

capital next ; that labour is subjective and capital objective in the production of wealth, and never surely, like that "capital attracts labour." And if at this you mean to retort back that, well, 'capital attracts labour' is at any rate true of application within the same class, we would say that these are the old juggler's tricks and after all, the community would not much longer stand it. We hope to develop in the course of our next chapters, the formation of such community-interests even within the ranks of a class, as would scare away the hog of a capitalist for ever, and debar it from encroaching any further on the labourer's innocent-life blood.

However, let us come back to our discussion on the nature of a loan. We have tried to show so far that capital occupies a subsidiary position to labour in the production of wealth—labourer first and his tools afterwards ; and if it is not wholly true of the modern machinery-era, we hope to make it possible to remove the unnatural growth in the new system. We repeat that the only exceptional advantage which capital possessed was of its concentrated-power—otherwise, it was simply like any other commodity, ordinary money, a measure of value and medium of exchange. Now if we allow this concentrated power to grow unchecked, it becomes a menace to the welfare of the whole community. From a hand-gloved parasite soon it develops into a tyrannical giant. As we know that capital must be consumed in order to be productive, so also we must further recognise that in order that the capital giant be a blessing to the community, its

personality must be thoroughly shaken, nay! even broken and laid low to the ground, before it may gather its nourishment and thus by passing through a severest ordeal of time may it recover its individuality with renewed and redoubled vigour and energy for the benefaction of the human race.

Let us see how. Suppose you lend your hoarded capital at 5% interest today. You part with your capital because you think you had better support yourself on the interest you derive and not run down the capital. By charging 5% rate of interest you must be quite sure of maintaining your capital intact. Well, suppose you are offered 10%, but conditioning that your loan would be deemed paid up, when you will have received your interest regularly paid to you for 20 years, thus amounting to double your original capital lent. What objections have you to such a proposal? You could have otherwise than by this proposal fairly expected not more than 5% interest for always hence—forward, now you may as well lay by 5% as saving, until at the end of 20 years it amounts to your original capital back to you; when you can again lend it out as before and be no loser of the bargain. Pray, Mr. Capitalist! do not think yourself to be robbed away in the name of the community. You are also one of the community after all. Why should you fear to lose your habit of saving which made a capitalist of you in the beginning, that you cannot depend upon laying by half the interest you receive every year, and lay it out again on loan? The importance of the national habit of saving will be borne out fully by our explanation

to be given to show one of the great sins of machinery in that direction a little further on. Then a gain, you have lent another the concentrated power of money, how can you expect the other one now to collect together the same amount of money and give it to you in a lump whole, besides the interest uptodate, for firstly if he could possess the saving habit as you did, he would not have probably stood in need of your money; and secondly, in order to make your capital productive in combination with his labour he must have at once consumed it and so he himself cannot draw more than a reasonable rate of interest from his trade; and so can pay you with all justice only in terms of interest and not the same old concentrated money-power, your lent-out capital. If concentrated-money-loan is to be returned in its own kind, you have really done nothing, from the moral stand-point as distinct from materialistic to deserve your profits—the rule must be cocentrated-money loan and divided-return in interest.

You might object here that, if the rate of interest were doubled from the general current rate on the above principle, it would hardly leave a margin of profit for the producer from his trade above the rate of interest, and hence a loan being less attractive for him it will cause a detriment in production. This is a pernicious, nay more! selfish and bigoted way of reasoning. Why cannot you think that it is as much in your own interest to lend money as for the borrower and so you will have to feel your way to suit his needs? And still we would question that if you condescend

to give on loan at a smaller rate of interest, surely you will take correspondingly longer time to get back your payment, and then you would not have to renew your investment in loans again and again at short intervals. Again to answer your objection directly, there would be larger demand from various classes of producers for obtaining loans on these terms, and hence that would facilitate production rather than hinder. Moreover, the principle which we have proposed to be universally adopted is not altogether new; it is accepted at the present time by some mercantile communities of Calcutta and Bombay with whom it has a force of custom. It also forms part of the legal code of the Hindus, that the debtor, who may have paid up double the amount originally borrowed by him, must be deemed acquitted of his obligations, irrespective of the length of time it may have taken him to do so — the rate of interest ranging between $\frac{1}{4}$ to $1\frac{1}{4}$ p.c per mensem. There is also a system prevalent in India of instalment-payments for redeeming a debt, such as, for instance, it may be agreed between the lender and the borrower, that for 100 Rs. lent by the former, he would receive 10 Rs. every month for a year. In such a case the rate of interest charged, on the whole, is no doubt often, a little more than ordinarily in vogue, but by such a system the debtor almost invariably pays up his debts. Such would be a real humanising of your usurious laws that must entail in greater happiness to the whole community and in as much pain and suffering lessened!

And as to why fix the redemption of a debt by double the return of capital and not make it treble

or fourfold say, on analysis of the idea at the back of it, we would discover a very solace-giving communistic ideal applied in practice. First of all the principle of "concentrated-money-loan and divided-return in interest" is recognised; then we see that out of the interest returned each time half of it is understood to go in payment of the original capital and half remains as interest, which is the just income on capital. Thus we see, that half the interest is conscientiously lost by the creditor as compared to what would have been otherwise as we have it now, if the whole interest were taken as interest and capital besides that. This sacrifice of half the interest to be considered as divided-payment for capital must be a token of a very great communistic ideal, that we should share half the bread with our poor and needy brotheren, and thus taking the rest of the humanity as reflecting our other body of brotheren, if each one of us considered fit to share ones' income half and half with the rest of humanity—

"The Blood of our Blood
And kindred souls to mine."

in the words of Cowper, or which is the same thing, devote it to a common purpose such as the State, or give away in charity to the poor, there would be a most desirable distribution of money and half the difficulties of the destitute-class would disappear. We refrain from stretching the picture further on. But there is no doubt that the giving away of at least half of our income in charity or to the common-organisation is nowhere more truly obligatory from a moral stand-point as in the incomes

in which "money begets money."

• Last of all, might we not take your permission, Mr. Capitalist, to turn the table upon you by putting you in defence to justify your position, now that you have piled up a heap of money big enough to sustain you and your descendants-to-come in a luxurious living, the community has lost so many of its productive labourers that might have been, not to say of their now acting as parasites sucking the blood of the poorer folks of humanity? We say "parasites" not only being jealous of your excessive profiteering, but for more than one reason. The negative short-sighted effect of your encouraging luxuries in life may be cited as no mean example. Perhaps you might take the popular notion that luxuries too always go to support some kind or other of labour and add to the "wages fund," but alas! how erroneous is the idea and how much nearer to truth would be to say just its contrary? Particularly, the machinery-production by offering the bait of cheapness has brought in its train an unparalleled use of luxuries and fineries, of which we shall now trace the devastating and suicidal effects in a few brief lines.

In illustrating the point in question we would have quoted a famous example given by J. S. Mill (vide, Mill's principles of Pol. Eco; Vol. 1. P. 102) but, for brevity, we would modify it and put it in our words. Suppose you were to stop from today the use of lace which is an article of luxury. Then first of all you would have saved your money which you can now productively employ as capital. Also, "as there is no reason to suppose that the lace-maker would, on

losing some of his custom, become more extravagant, or would cease to desire to derive income from the capital which the diminished demand has caused him to withdraw from his own business, it may be assumed that he would invest this capital in some other industry." Thus, by curtailing a luxury there is first an augmentation of capital and correspondingly of wages fund; secondly, the capital liberated in both cases would be more productively employed. And what is meant by a productive employment is, that suppose it is invested on land, it will then not only increase the wages fund, but that the wages of labour will be paid out of the greater production of the land, which by yielding a necessary of life will directly maintain the labourer while he is assisting in the production of future wealth?—and thus there will be a far greater reproduction of true wealth of the country. Next, what happens as a result of the use of luxuries is that it undermines the staying-power of the poor daily wage-earner, who if by chance subjected to unemployment or a sudden rise in the prices of necessaries of life would be the first to be knocked down—but all the same, because you can easily afford the luxuries for yourself—you, in stead of desisting from creating a bad example, have the audacity to preach to others on a trumpet-beat about the "righteous" value of keeping up a certain "standard of comfort". Not the less, by your wasteful luxuries of "lace and velvet" you are sinning against the posterity by exhausting the natural wealth of the earth at this rate, in coal and wood, for instance. "If two tons of coal are consumed in producing a pine apple in March for the sake of giving

a pleasant taste for a few minutes" it is hard and cruel even to imagine how pampered have we made of our capitalist-class, possessed of all their overbearing hauteur and dignified arrogance and wasteful splendour and shall we add?—ruthless callousness, in open defiance to the conscience of humanity?

Lastly, do you suspect, our gentle readers! why our benign capitalists do not invest on land, or at any rate make it the last thing to go to land—the noblest profession? The reason is that firstly because as the margin of cultivation descends with every increase in population, the profits of capital become smaller, or, which is the same thing, because every "dose" of capital on land does not yield a proportional return. Secondly, even suppose that by an increased investment of capital, the produce of the country materially increases; thus corn being a perishable article would have to sell cheaper, in spite of the fact, that as a rule the price of corn is fixed according to the cost of production on the land of marginal cultivation. As a result of this fall in price, the capitalist farmer would not get a return of profits commensurate with the amount of capital invested by him. But by a fall in the price of corn the lot of the labourer would be ameliorated; and thus we see that the interest of labour and capital are not only at variance in the division of wages and interest from out of their joint-profits but also in the matter of investment of capital on land, as distinct from other luxurious equipments of life, of which by the aid of machinery production, the necessity can be greatly enhanced and

forced upon the labouring-class itself. To fully realize the truth of this statement, we might stretch the picture in our imagination that if by any means all the machinery could be internationalised, then if all the H. P's of the world were put to the soil of India and China alone, and scientific agriculture carried on under improved methods and scientific advice these two countries alone would suffice to be the granaries of the world. There was a real millenium known to old Indian Polity of not very long time back when all the necessaries of life were in such good plenty that it was sufficient that any one male member of the largest joint-family could earn, which would amply suffice for all the rest. But to what plight are we reduced now in this age of free competition—that every one from the little child of eight upward must be an earning hand, and labour automatically like a machine itself all day and night to get a lift in life and yet to what end—struggling endlessly to keep body and soul together. Of course conditions are abnormal in India under the alien rule of a worst capitalistic Imperialism ; but pauperism is more or less the same in all its hideous aspects all the world over.

Thirdly, why conditions are averse to the investment of capital on land is in a large measure due to most unnatural system of land-lordism over tenancy farmers handed down to us from the past, which however consistent it may have been with the orderly progress of its own days of inception, is now too rickety, old and antideluvian, and has long since out-

grown its days. Our theory, however, we trust, would solve this another puzzling riddle, as well as that of machinery-production with a single stroke—it being equally applicable to loan as to rent theory. What capital can the poor farmer possibly invest on land, considering moreover, the “white lie” that has been given to the already-existing practices by David Ricardo’s theory of rent, however otherwise truth-telling it may be? In this direction mention should be made of the valuable demonstrational success shown by the Schultze-Delitzsch and Raiffeisen Credit Banks established about the year 1850 to help the small cultivators and producers in Germany and Italy. The chief feature of these is to give loans at the least possible rates of interest; and unlimited liability of each for all and all for each within their small area of jurisdiction, such as a village, parish or hamlet.

We cannot easily skip over this part of the subject—the application of capital on land—without bringing out its important bearing on what we know as “pauperism” peculiar to the modern machinery age. Suppose in a particular year the agricultural produce owing to some favourable natural conditions to be beyond all proportions to the application of labour and capital on land, what would happen? With its greater supply, the corn would have to sell cheaper, hence the producer would not gain any more gold in exchange of his commodity than otherwise without such good crops. But as the labouring class would thereby be much relieved by cheaper prices of food-stuffs, ultimately if the same conditions prevailed, this

would tell on the wages of labour in all industries ; so that while the profits of capital in all industries remain as usual, with a decline in wages there must be a corresponding decrease in the value of all other manufactured articles. Hence for the farmer, while he gets the same quantity of money as before, the value of money has risen, and thus his gain not in richness of gold but in advantage of its value. Now instead of this natural gain of wealth by which the whole community profits, suppose the same plenty of land-produce could be had by greater investment of capital on land, the question arises as to whence is the interest on increased capital to come from ? The amount of money flowing to the producing-farmer would possibly be no greater than before, and hence the capitalist's greed for the sight of money might not be satiated, but at any rate it must be acknowledged that the value of money will greatly increase—which must also be a decisive gain to the capitalist as well as the community. But what happens is that things are conducted in the interest of capital first and community afterwards—as by reason of an increase of population the general prices of land-produce rise, then alone less productive land is cut or more capital is invested which can now earn its due interest in coin. But alas ! the end of it is little understood, as to who is to pay that interest after all, granting that the increase in population has been in the major-circle, the wrong end ? The prices would not come down so long as interest has to be paid on the newly-invested capital and hence it is that we may notice that as population increases the

prices would always go up and up, of course leading inevitably to the consequence that the labouring-class must suffer, starve and perish, while the capitalist should flourish as never before. Does that not necessitate a redistribution of money by whatever means it may be done, so that interest could be drawn from the major circle? Must we not open our eyes to the fact that poverty and want are forced on the head of the labouring-class for no fault of theirs—while land can certainly produce more—excepting of course that they are capital-less? And when in spite of themselves they are stranded down as beggars having to seek the crumbs fallen from the tables of capitalists, we are taught to learn from books on Political Economy that charity or almsgiving as going to support unproductive labour is a wasteful “luxury,” and so the poor beggars are discarded every where as so much burden on society. The society can tolerate all the other luxuries afforded by its benign capitalists-class, but the “luxury” of supporting human life itself is at any rate intolerable! Is not the capitalist also a case of unproductive labour? would perhaps require extraordinary courage to be told, and no wonder in our civilized era!

On the whole, it must be admitted that we have a landed “hierarchy,” consequently a land monopoly; commercial and industrial monopolies, even government monopolies and “professionnal politicians,” class-monopolies, professional monopolies—and all competing in their blessed minorities to exploit the major circle comprising of famishing millions of labourers—the

children of the soil on God's own earth—who, by the sweat of their brow are silently and submissively attending to the gracious demands of their masters of the Olympian origin—and yet all goes on in the fair name of justice and free competition. As to how long more this topheavy, tottering edifice will take to crumble down, nobody may tell, but there is no doubt as to the times being pregnant with prophesy that the humanity in seeking to come round a common basis of understanding has brought the doom of the old order nearer at hand than often supposed, and its days are but counted.

Now perhaps if we draw a briefest comparison between the old polity of medieval days and the modern machinery-era, it will do much to show us things in proper perspective, and bring out into bold-est relief the true value of things. We have already written in the very beginning of the present chapter that before modern machinery was known, there could be no capitalistic production on a large scale, and thus the skilled labourer or artisan combined his art or labour with his own capital, which combination, however, was of the simplest kind according to the knowledge of those times. Cheaper hand-machines if they had been introduced in modern times instead of the ponderous machinery of today requiring big capitalistic organisations, we would not have had much difference from the medieval period. But alas! the step had been once taken and in fair human consistency cannot be now retraced back; so the only thing possible to us is to face the new system

and newer needs created by it by newer adjustments and adaptability in ourselves within the life of our social organism. Before the machinery-era landlordism was the greatest productive industry. But first of all the rent was charged in kind, such as tithes etc., and not cash; and then it was in a fixed inalterable ratio to the yield of the land, and not that the blessings of Ricardo's rule, sanctioning only a barest sustenance for the tenant-farmer should be ever on their head. Even so far back as the days of feudal system in England, we find that there was a sense of solidarity and blessed contentment within the ranks from the lowest serfs and villeins to highest lords of the manor; and then as the aristocracy might justly take pride on it, it did not present much field comparably on the scale of modern commercialism even to the sweet ravages of the jew, because naturally to part with the land was considered to part with life itself or the last best thing. Under the circumstances change was very slow and things had adapted themselves to their own place so well and with all the look of permanance and adaptability that to medieval Europe even the word "progress" was not known, while in England under Elizabeth the greatest statesman of the time, Lord Burleigh, whose policy constituted a great watershed dividing the old from the new in the economic history of England, had marked out and fashioned likewise in his view a healthy flourishing state such as was settled and peaceful with its distinctly-marked class-formations and craft-guilds flourishing and stationary in their own sphere much like the caste system of India.

The following points, as conducive to far greater human happiness than what we have today with all our advancement in knowledge, would be found in main to be characteristic of the old polity before the advent of machinery era:—

- (i) The rich only consumed capital, while there was no such employment as now for its growth.
- (ii) Not much capitalism was required in industries, hence greater labour population supported.
- (iii) Labour not so highly-differentiated and farther away from the land, hence less shocks to them.
- (iv) Chiefly depending on land—hence truly productive application of labour and capital.
- (v) Population control—by unsettled government or local famines.

The essence of the old polity, if idealized, might be drawn from the following picture suggestive of the economic glory of the pre-machinery days. If suppose one farmer could till and reap so much land in a year as would grow corn enough to support ten members of his family. Then, evidently, the ratio of the land-producing class to the whole of the community must not be less than 1 : 10 ; and all the other wants of the cultivator must be satisfied by at the most ten people. In fact, formerly, the wants of a whole village were satisfied by just a few artisans, such as a village-carpenter, smith, weaver, cobbler etc.; and so the meagre wants of the simple life of those days must decidedly be a great economic advantage. “ One man earned and many ate ” was true

of that time ; women never needed to work like the factory women of today, while domestic economy was their chief objective in life contrary to the wasteful luxury of the modern woman. The men enjoyed plenty of leisure and with their easy-going life that had enough (and more) of aristocratic instincts which allowed no occasion for the preaching, so much needed today, about raising the standard of comfort. Suppose the number of a certain artisan-class, say of carpenter-families increased above the demand of that profession, there would still be the same limited want of the same simple tools and articles of daily use of a simplest life, and so the supply would easily exceed the demand. Might we not infer from this by the way, that it would be no less brilliant and thorough solution of the labour problem, if the state could fix a minimum labour wage, so that no hired labourer might receive a wage less than so much as would be equivalent to what he would have got through his single labour as a farmer from an average land ?

But what happens in the present day machinery-era is that the things are so varied in design to suit our thousand and one needs unknown to former times and new needs are every day being created—all of course due to the modern facilities of communication—so that the same amount of capital which would flow to a profession always proportionate to the need of that profession as a whole to the community, that capital is now becoming the endeavour of all so many more people engaged in that profession to share. And this sort of sharing is, no wonder, gaining the

fully-deserved notoriety of the so-called gambling or speculation in business. The natural result of this must necessarily be that the placid contentment of the labouring-class of the former days, gave place to the whirlwind life of greatest instability, subjecting them to such enervating and depressing conditions, unknown before even to the salve-class. Every body, hoping against hope, that perhaps fortune might favour him next would only overwork himself, run out his capital thus providing less and less for future, and would beget more children—every thing favourable to destruction of society, is it not? Perhaps, however, it must be surmised that the one good result of all this would be that the age-long mental torpor or state of inertia, born of a passive out-look on life, would be rudely shaken by their growing searching insight into the real under-lying economic evils undermining their very foundations and thus awaken them to a glorious consciousness of bringing in a new dawn of community-understanding and community-spirit—from which alone we also derive our consolation! And this rosy picture will ever redound to the glory of ancient India of Village-autonomy.

As we pass on to the age of machinery, we see that if to all the horrors and evils brought in the train of machinery, are added the political sins of a country like England, the tale would be too painful to describe. However, as the subject will be left incomplete without a brief reference to this aspect also, we will make the attempt.

Suppose there is a new market found in Persia

for Manchester cloth. The result will be that first of all the weavers of Persia will die out. Again there would be a great demand for labour in Manchester cloth factories, and the lot of the labourer would be happier in England. Consequently, a factor so long not considered would be brought in and that is the increase of population. It should be remembered that unfortunately the increase in population is always at the wrong end—the labourers multiply more under the stimulus of getting more wages and in the time of increasing employment. To quote for instance, figures for the population of England; it increased by one million every century from the year 1600 A. D. to 1800 A. D. *i.e.* at the rate of 10,000 every year. And what a miraculous phenomena it must be to imagine that in the next 37 years of the beginning of the nineteenth century when England had risen to the zenith of its power and expansion, the population increased by one million. Suppose the world's production of our prime necessities of existence to remain constant, for the number of increased people of England to be supported by the produce of the rest of the world, a like number must have starved to death else where. Another shock, this time in foreign countries:

Again with the advent of machinery in a backward country like India, there was presented a new phase. The capitalists emptied their hoardings in India treated as a new ground for exploitation. Although manufactured and finished products imported into India had thrown out of employment many artisans and craftsmen who were degraded to the ranks of unskilled

work-a-day labourers, the opening of new factories on the spot with foreign capital made a growing demand for labour. The foreign capitalists had brought glittering gold in one hand and they paid wages in profusion. This naturally acted as an irresistible stimulus to the labour who accordingly multiplied in number, increasing the country's population from 20 crores to 33 crores in a century and half of British rule in India. It was much vaunted of by the foreign government that the growth of population showed an increase of productive wealth of the country, but the truth must inevitably reveal itself in entire nakedness and so it was found that although the foreigner poured in a lot of their glittering gold in India, they sapped the very foundations of the country by taking away the prime necessities of existence—food-stuffs and raw-materials. Of course, the glittering gold was no better than stones to eat out of, and naturally with the greater influx of money in India its value or purchasing-power decreased. It gave a shock and necessarily the population began to reduce. The people being ill-fed, under-nourished and over-worked gradually succumbed to disease, falling easy prey to the ravages of epidemics, the child-mortality rose to so much as 35% of the children born in the first year and the new generations pushed out of existence the old ones resulting in the average expectation of life of an Indian as compared to an Englishman to be half in the early years, then rising to two-thirds in the middle age, and again falling back to half in the old age. There was an experience of the same nature to England in the sixteenth century, mainly due to the

discovery of silver in South America as also due to England carrying on the trade between Europe and India, while the latter always absorbed the silver of the former, brought about a fall in the value of silver in England, and so was depreciated the value of English money, which made the English economists realize the futility of trying to increase bullion in the country.

The evil wrought by machinery in India, more than in any other free independent country of the West, can be summarised in two arguments. One, it gave a false stimulus to the labour population by an unprecedented influx of bullion. Secondly, the foreign manufactured products, by reason of being both cheap and fancy, created a force of habit with the Indian people, so much so that now, when ultimately, by the natural process of the revaluation of all true values, inspite of all their increased individual incomes in money they can hardly afford to purchase even the barest prime essentials of existence, food and shelter, still they are carried away to keep up appearances of a certain standard of equipment required to maintain the dignity of an "hon'ble and honourary membership of a fashionable civilization"; and the major brunt of it has fallen on the poor—because ever-much strained—middle-class people who must either continually swim or sink. And suppose now if India were to stop bartering her produce of food products and raw materials with the tinsel, flimsy manufacture of England, and likewise if all other markets of the East were closed to English manufacture, such

unemployment troubles would ensue in England as would threaten to wreck a full vengeance on her for all her former policy of exploitation abroad !

Thus on the whole machinery acted like a double-edged wedge—giving shocks to the major circle sometimes by rearrangement or shifting of fortunes into fewer hands at the cost of many men, then by enlarging the major circle at one place at the cost of another, as also by giving false stimulation leading to the growth of unskilled labour ; whereas on the other hand the smaller circle has always had tendency to become narrower and narrower.

What is then the remedy ? There must be double-guard preventive checks also—to restrain the narrowing-down at one end and enlarging the other. The whole solution would seem to lie in just two remedies. I. The truly productive employment of capital, even if it does not pay to do it. Let the community as a whole, or which is the same thing, its expressed will, the government do it and force it till done by all means. II. Education of the labour, with a view that highly educated labour would guard the frontier against population invasion more efficiently than otherwise.

Let machinery be employed to produce the real wealth of mankind, in scientific agriculture as they have done in America and Canada, where each farmer is wealthy enough to own a motor-car ; as in Beet sugar industry in Germany which supplies sugar to the whole continent of Europe ; and let capital be

invested as in cow-breeding and dairy-farming industry of Australia, wherein the first cow was imported from India, but at present the cows number so many as ten millions, so that as it must be impossible to consume the quantity of milk, butter is extracted and butter-milk is given back to the cows themselves. Thus does Australia supply so much of the world's butter today, while what of India now—the milch cow of the British—once the land of milk and honey, where we read in Todd's Annals of Rajputana, that even in that romantic land of Rajputs—so less favoured by nature, of which the desert-plains are scorching under the hottest sun, and yet unique for shedding a glorious splendour on and lending a brightest page to the world's history of chivalric deeds, noblest patriotism and heroic self-sacrifice for the cause of truth and virtue,—so of this land we read that public management was kept on the various cross-roads all the country over to serve the passing travellers not with water, but nectar-milk, “that ideal food of nature's ideal laboratory.” However, not to digress far, we would give an interesting saying current in India, which appeals to the Indian masses as sound and sufficient reasoning to explain away why the old happy times have changed. It is an old story of Persian origin now ascribed to the British rulers as follows:—

“In the early days of British occupation of India, a certain English officer lost his way while hunting and perchance came upon a village, where he was very cordially and hospitably received by the villagers. They seated him comfortably, and thinking he must

be thirsty brought to him milk and some chosen pomegranates, that were the biggest and the best of their kind. Of them, one was broken, of which the delicious juice filled the whole drinking cup up to the brim. The English Officer drank the cup, and while enjoying the drink perfectly he began to think that the village people were really very well-off and enjoyed an unimaginable plenty and prosperity and so they must be taxed more. All the instincts of the British exploiter rose within him, as depicted by Cardinal Newman in course of his glowing description of the beautiful scenery of the flourishing coast of Sparta, rich with the bounteous gifts of nature. No sooner was the cup emptied than another similar pomegranate was broken but this time its juice could hardly fill one-quarter of the cup. Thereupon the Englishman questioned as to what in the world had happened to this pomegranate: it was as big and of the same choicest kind as the former one, then why had it yielded juice in such small quantity? The villagers were themselves wondering when one old man made the reply, "Oh Sire! Our respected one that you are! May God bless you! It may be that our most auspicious king might have been provoked by some foolish deed of his ministers at this very moment, and his just wrath might have also affected our humble little enjoyments here and consequently the fruit also, which otherwise was chosen from the same best stock as the former one. We believe our king to be quite just and kind to us and all our petty enjoyments flow from him. But when some of his unworthy ministers put him in want and withhold his due supplies from him, he naturally

wants to tax us poor people more, with the result that when our gracious king has an evil eye, we are visited upon by famine and even the quality of our produce is degraded. And so our respected Sir, this must be such a moment when the king's evil eye was turned upon his people." This opened the eyes of the Englishman to some new code of truth, so he atonce determined in his mind that if it were true what the old man had just now said, he would never enhance the taxes on the people. But he wanted to give a test to the new piece of truth. A third pomegranate was broken which was smaller than the first two and apparently inferior in quality too. But its juice on breaking ran overflowing, the cup was brimming over in no time, while still some thing more remained to be extracted. And when tasted by the Englishman it was found to be sweeter than the sweetest that had ever touched his lips. The Englishman's eyes were down-casted for one brief moment, and moistened with tears of remorse that caught his soul awakening to the shame of his first thought. But that was for just one moment only, when the Englishman got up and enquiring took his way—one moment and no more, and that too in a solitary example. The lesson was soon evaporated off his mind, as again the splendid sight of the natural wealth of the country all round him made his old hungry self, unaccustomed to such luxurions climes, get the better of him. And so from that day forward—the day that witnessed such thankless ingratitude—the fate of Ind was sealed and blighted and smiling fortunes visited no more. Thus

do the Indians believe that the sins of the king are visited upon by his people.

Compare the excessive taxation of the present Indian Government which charges 55% of the net income of the land-lord—which must ultimately react on the fate of the cultivating tenants inspite of all the truth contained in the theory affirmed to the contrary by David Ricardo—to Ancient India when any charge of land-taxes above one-fifth of the produce was deemed to be tyrannical on the part of the king and even so much charge made the king responsible for imparting free education and maintainng open courts of justice for free litigation.

But, indeed, surely in a people's own Government any amount of taxes drawn from the public are to be ultimately utilised for the best benefit of the public themselves. It is no longer that we need talk of a King's Government—when it may charge too large a share for itself—or even of an alien Government, as they are evidently doomed, if they at all persist in our present age as solitary examples of anachronism. Remember, it is always to be aimed at that the smaller circle of the capitalists should be checked from narrowing-down at a rapid rate, and so with this view out of their big, big incomes they should contribute a large share to the revenues of the State, which is the same thing as for the general benefit of all. The land and the income taxes which are traced in India to the oldest days of her recorded history, are but comparatively recent developments in the history of England.

Taking English history, we see, that the first property tax, "to lay a fixed and permanent charge upon all property, real and personal," was levied in the year 1692 A.D., at 4 S. in the pound on land. But later on it was fluctuating until the year 1798 when Pitt fixed it at a perpetual rate of 4 S. in the pound or at 20% and as such it remains to the present day. The rate is levied on the old assessment of 1692, with an additional 20% charged as "increment value" or the increase in the value of the site. Similarly, of the income tax there were two solitary instances of it in the fifteenth century until Pitt imposed it in 1799 when leaving incomes under £60 entirely free, he made it graduated tax on those between £60 and £200, and a tax of 10% on all incomes above £200. But the tax was afterwards repealed for one year after the Peace of Amiens by Addington, again revived under varying rates until 1815 when the close of the Napoleonic war once more removed the excuse for its imposition. There was a suspension till 1842, when Sir Robert Peel took office after a series of deficits and made an important landmark by reviving the income tax, which despite the repeated assertions of its temporary nature has never since been repealed, except to vary in its rates. But it was only so recently as 1907 that Mr. Asquith, as Chancellor of the Exchequer, boldly declared that the income tax must be regarded as an integral and permanent part of the financial system of the country, and he differentiated between the rate paid on earned and unearned incomes. The general rate stood at 1s. or 5%, but in 1909-10 it was raised to 1s. 2d., as also a super tax, 6d. in the £. was imposed on incomes exceeding £ 5,000 less by

£ 3,000 which was subjected to the ordinary rate of taxation.

[Taken from Medley's English Constitutional History.]

Now the history of the development of the land and income taxes would clearly show first that it is of recent growth, secondly that the bigger rate payers who constitute the vested interests, and privileged classes and aristocratic dignitaries, and other high personages of rank and position are really a very "hard nut to crack" in the matter of yielding any higher rates of taxes. That means either their lack of faith in the beneficial activities of the State, which would abuse in their opinion the high nature of the trust imposed on them, or else they selfishly adhere for their own temporary ends, no matter if the smaller circle of the capitalists is being narrowed down leading finally to the event of a formidable menace to the balanced equilibrium of the entire society. The former plea would be a self-contradiction in terms in a people's own government, as giving the acknowledgement of their own incompetency to govern themselves, and for their persistence in the latter event we can only say in the memorable words.

"Beware ! The retribution is in the act itself."

And further the following quotation will be pregnant with prophecy :

"When in a people matter predominates over spirit it is the most material element—first the rich, then the proletariat—that assumes the power."

In closing this chapter we make an appeal to all the elements of our modern civilization; and suffice to say, that as we can not go back upon the past, we must be prepared for a bold initiative to meet "new days with new ways."

To recapitulate at the last, our main arguments which may be drawn up into a briefest indictment against "machinery," are as follow:—

From the first introduction of machinery it has brought the greatest differences of unequal distribution of wealth, every new invention or improvement in the technique of large-scale production threw into ruin hundreds of the old prosperous homes, and happy hamlets of artisans and craftsmen; then for upwards of a century we have witnessed tradesunion organisations and no small amount of consequent bloodshed; while it would be coming as no surprise if the forces of discontent and distemper may be loosened in so portentous a magnitude as to threaten to throw the entire political structure or social fabric into utter disaster and irretrievable set-back for centuries to come in the history of the world. We find lots of heaps of wealth, an unparalleled exhibition of human energy, all the godowns piled up with the necessaries of life—yet nothing more "useless" than the heaps of sand in a barren ground for the vast majority of the destitute of mankind. No end of natural resources or the ingenuity of man has been tried utmost for our provision and yet to what end—not a jot of addition to human happiness. We seem to have lost even that appreciation of the sense of leisure that marked the

very end and highest prize of life to aspire to for the old Roman and the Greek.

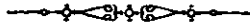
So said Frederick Harrison in an interview reported on the eve of his entering the 90th year:—

“I have witnessed a blessed change. But don't let us suppose that enormous advance in material life has been all to the good. This huge growth of population, wealth, locomotion, of everything has rendered existence to one incessant rattle and drive, has ruined half of our lovely country, has imprisoned millions in sooty cities. Mechanical inventions make war more horrible, industries more oppressive and life one perpetual scramble and cinema show.”

Why, is this a foretaste or aftertaste of the machinery-giant ?

CHAPTER III.

**The Communistic ideals in the world—
The distinction between Individual and
State property—The abstract idea of
the State as applied in the formation
of trade-guilds—The theory of
State-production.**



We shall divide the subject principally for our discussion under three main heads:—

- I. Utilitarianism or Individualism.
- II. Socialism or Collectivism.
- III. The Indo-Aryan or Vedic Idealism.

But, we hope we may be excused, if we fail to observe any order in dealing with the above, sometimes touching one, sometimes another, since for our convenience of expression of our ideas we would be very aptly inclined to transcribe them here almost *verbatim* from our diary, as they were first noted down from time to time. Moreover, as we shall now move into the domains, more or less, of ethics and sociology, a clear-cut logically-pointed process of reasoning would be far more effective in helping us to form a correct opinion, than otherwise by any attempt at fullness and richness of language, which is indeed in no small measure so often confusing and misleading us into no better than a comic medley of conflicting arguments.

Let us take an apt quotation to begin with.
“The fundamental idea of Socialism is that individual

property ought not to exist; that all ought to labour to the extent of their capabilities, and to receive in proportion to their needs, not in proportion to work done”.

The same is the principle at the back of the time-honoured Hindu joint-family-system; and it would appear that in Socialism the Eastern idea has been simply made to embrace a wider field—the whole human family, in fact. “Love to serve others; and service for the sake of love and love alone” and such others are some of the mottoes made manifest in daily action within an ideal joint-family and the same it is desired by some idealists to make applicable to the whole humanity. The same thought may be idealised to any extent, and we must in order to form a clear vision compass that extent and its limitations in practice. It may be said, “The giving of a gift is a source of pleasure to the giver only and not to the receiver. Give your all for others in order to derive the pleasure of giving; while one who receives the gifts must learn the self-respect not to accept any thing unless his refusal counts for so much dejection and pain to the giver as would exceed even his (receiver’s) sense of want without the possession of the gift. Or in other words, gifts are to be accepted when the giver feels more keenly and acutely to see the giftee without the gift than the latter thinks of his want. Verily to give is to get.”

Again, “One can always return a gift with love and be paid up. Love pays up all debts. A child knows only to love, and what a lovely face it has! It

cries, and God sends milk to mother's breast. All your obligations to the child are returned by its simple love and gratitude, for it does not know your selfish interest, if any, in it as giving promise of return afterwards in your old age. You derive the pleasure of giving unselfishly, while it thinks it has paid up all its debts by grateful smiles and love to you."

"Similarly, take a merchant. He fulfills a necessity or utility for others; and he must serve others as much as he can. His capital is indeed meant to fulfil a function, not that he is sold to capital. No, he is sold to love of others, and if he cannot serve others' needs best by himself, he would give his capital to others to do it for him. *Nobody is the master of any part of the capital, which is to serve a necessity; that is all.* Money shows of how much utility one has been, is a measure of utility. But that too need be no criterion, because we don't want criterions, don't want thanks, 'in serving others I serve myself, my thanks and my honours due are in my act itself and I want no recognition, not to say of a material prize from others. I am glad if I am an useful organ of the One-Body and I am sorry I did not die (that would be spiritual death) in others others' service'."

Now, for discussion sake, we can make a good case for.

Need *versus* Utility.

One's need must be at the best the need of self-development in one's own interest, while the utility of one's labour must be for others. Again, the need

as calling for help and support from outside must be greater of the weak than of the strong ; whereas the utility of the strong is greater than that of the weak. To this it may be replied, "why should you require to serve any utility ? if not in order to live ; and why wish to live ? what is the aim and purpose of your life ? if not self-development." Then, if asked as to what is meant by self-development to be the end of life ? it would be generally admitted, or some such thing, that "The purpose of life must be to realize one's unity with the source of all life or realizing the oneness of all life—that means, identifying one's self with God or with the whole life of the world, or to merge one's self into others' selves which is only possible by loving. So that, whether one realizes one's self or Unity of Life or not, he would most directly strike at the result by the simplest ways of loving—loving every body—good, bad and every thing. To love is the end of life and purpose of living.

"He prayeth best who loveth best"

All things, both great and small.—

Coleridge.

Now landed on the vast subject of love, we must proceed to explore its limitations in practical every day affairs of life.

(i) "I love the animal, but as a butcher I have to kill, never mind. I kill if for the sake of utility, for Dharma which means the "greatest good (or utility) of the greatest number." My love is not the less.

because I have to kill it, and neither should it feel itself worse for having to die, but indeed take it as a sacrifice on its part for some utility to others, and so it is the greater or nobler for serving the utility. In fact, it must love me equally intensely for giving it the opportunity of sacrifice." Many examples from classics can be multiplied to illustrate this.

(ii) . This world of limitations is perhaps made for our evolution only by proving to us the futility of love against utility. If our own brother is convicted for crime, do we love him the less inspite of his depravity? Love, as independent of utility, remains constant. Can we then live in love, arises the question at every step of the world ?

(iii) Want seems to be a great educator in the Divine Plan of Cosmic Evolution, for our sense of want must be synonymous with our desires that carry us ultimately to carve out and build our destinies. And though in the fulfillment of our destinies time seems to be of little reckoning, we are nevertheless made to realize in this world of meeting and parting that we could not always even help those whom we would. How often indeed it goes as our common experience of the irony of life, that those whom we would and could help became out of reach of help? and hence we are led to conclude that no body is poor and needy as depending upon our mortal help, that it is all imaginary help. For, all the necessaries of life flow from the All-giver Providence and indeed He creates us as His

mere tools to function in a certain manner to help to produce His perfect image on earth, when—sharing the beautiful vision of Edward Carpenter—all nature falls in tune and sings to the joy of His Perfection of Creation on earth. That may be the Divine Purpose of creation, while the Divine law of Progress is the law of Exfoliation or Evolution from within outwards—the law, that you cannot permanently satisfy your wants by any amount of external material and physical applications, but that the only riddance would be by making finer bodies and minds so that you may rise above the present wants. How can you then always expect to remove another's want by giving your external help ?

(iv). Are there grades in love—love more, love less ?

We are one life—one existence ; and we are not greater or lesser than one another. "I have loved you, and if I have been very useful too I am so much the more glad, but if you for that matter call me greater than others for serving greater utility, I would be miserable. Oh, I have only done my little bit, which was to bestow all the love I could, and so has every body else done his part—so I am no greater. Pray spare me that. *If I should love others, I should also be the loveable of others*, and as it makes me miserable to be praised, so you would not praise me please ; thus there would exist no greater or lesser even from the point of view of greater or lesser utility.

That proves *there is no greater or lesseer respect due to any body.* And what about greater or smaller love?—well, you love all the same, as love requires no media and minds no distances, and hence you love equally all and it is equally due to all.

- (v) Suppose one does not return your love as much as you love him. Then, we know from a psychological law that he is the loser of the two, not you. *So you must love at all cost and you do not at your own cost.* This means a sense of utility also to yourself, or individualism again, which had been killed before. *Love is your weapon offensive and defensive.*
- (vi) Does that mean?: In acts no love but utility and expediency; while in thought and feeling "love." Hence the civilization of "cover up outwardly—all the odds of life" which is the only consolation in a world of limitation and "Give and take." Hence also courtesy is the only consolation. *Then if there were no failures in the world, there would be no successes too, and hence no world at all.* So that, be prepared for the worst and thank even the worst, because it is the best for your adversary if not for you. Take your defeat calmly and squarely. Fight always on equal ground like brave and honest fighters, and welcome death, if death comes, no matter remain cool and thankful.

These and such like considerations would be found to sum up the why of much of what a dawning cons-

sciousness on humanity has so much perturbed it to run after any new ideal that may be set up before it. This is but a natural reaction from a materialistic age as the spiritual side of human nature asserts itself. In fact, at the bottom of all socialistic tendencies the idea is to evolve a kind of Brahmanaic order, a highly-spiritualistic society in which all the members might be supposed to be actuated by the loftiest sense of duty to others. There is no doubt, that all would concur, using the words of a modern writer on Oriental Occultism Yogi Ramcharaka, in that

“The ideal condition would be in which there were no laws and no necessity for them—a condition in which men had ceased to do wrong because they had outgrown the desire rather than from fear or restraint or force. The tendency is always from Force and Restraint toward Love and Freedom.”

Again, to take from the same pen, that “Man finds that it is not only “the happiness of the majority” but the happiness of all that is the ideal. He finds that until all are happy he cannot be perfectly happy.”

But all the same, while free to believe in any future Renaissance we must also do full justice to our present that has been evolved after long and patient struggles. For certainly no improvement in human nature can be worked in a day, as we have the following valuable testimony in the words of Thomas Kirkup, taken from his article on “Socialism” in the “Chambers’s Encyclopædia.”

“The evils of the existing society are not due merely to bad social economic and political mechanism; they are rooted in human nature itself. No revolution can produce a magical change in human nature. A revolution can indeed remove abuses; but they always return in a modified form, or the old abuses are replaced by new ones. Human society and human nature can be radically improved only by a long and gradual organic change, economic, political and ethical.”

Certainly, none may differ with the idealists when they say things like that, ‘the truly educated and great are those who would bend down their head lower and lower in meekness and for service and love of their fellow-men with greater knowledge and wisdom much as the fruit-bearing boughs of the trees bend low.’ Or again, to take the prophetic words of Mr. Paul Richards as symbolic of a certainly better future:

“The true democracy will be that in which the small will feel great and the great small, in which the great will give an example to the small; in which the greatest will be the most disinterested, the poorest; that in which the supreme majesty will have the power to shine out in supreme destitution”.

But surely, when, if ever, such a day dawns, there would be another earth and sky, not ours as we have it to day. There was certainly an age of millenium known to Indian History, of ancient Hindu polity, of which we may glean from reliable sources, such as the

records left by the Chinese travellers, Fa Hian and Hiouen Thsang, that of all things unknown to the time crime was the first; and although there was plenty more of happiness and contentment among people than we can possibly conceive of from any socialistic regime, yet their civilisation was based on Individualism or Utilitarianism: they had certainly not done away with private property. Surely, they had manifested society-consciousness—that society must not be poisoned for individual ends—in a greater degree in their individualistic civilization of “Free competition” than what the best modern communistic societies can have to show at their credit; and this because their sages understood better all the heterogenous admixture of human natures. We will discuss the guiding characteristics of that polity in due course.

We must, to be honest, be prepared to recognise truth and the good points in all systems whatever—indeed, none is without its good points. And thus to effect the best solution we must strike at a practicable combination of the best in all systems, that “Best” being called “Dharma” in the ancient Hindu polity. Let us by all means adopt and apply in practice the best of communistic principles in our present-day materialistic society which is the product of “utilitarianism pushed too far”. For that matter, just to give an idea of the Hindu philosophy of Dharma, we may find no clearer expression than again, in the words of Yogi Ramcharaka.

“Dharma acknowledges the value of utility as a pillar, while seeing its weakness as a sole support for

ethics. Human law, as set forth in statutes, laws, etc., rests almost entirely upon the basis of utility, although some of the writers try to make it appear, that it rests upon Divine command. The law is the result of man's endeavours to frame a code of conduct to fit the requirements of the race. Human law is a matter of evolution—it has grown, changed and unfolded from the beginning, and always will do so, for it is fallible and not absolute. Just as conscience is always a little ahead of man's growth, so is human law always a little behind. Conscience points out a step higher, while laws are framed to fit some need that has arisen, and are never enacted until the need of them is clearly seen. And laws generally are allowed to remain in force for some time (often a long time) after their need has disappeared. Human laws are the results of the average intelligence of a people, influenced by the average "conscience" of that people The law is fallible and imperfect but is necessary as a supporting pillar to the temple of ethics. It is the average conception of ethics, crystallized into a temporary shape, for the guidance of the people making the shape. Every law is a compromise and bears more or less upon some one. The theory is "the greatest good to the greatest number"."

This public Utilitarianisim in the ancient Hindu polity was combined with a deep sense of "Private or Individual Dharma" which was still more emphasised and held final authority in guiding individual life and actions. We have in the words of the same authority.

“The rule of Dharma is for each man to live up to the best in him—no matter whether that “best” has been impressed upon his soul by revelation, intuition or conscience, or by his intelligence in accordance with “Utility”. In fact all three of these influences with impressed him somewhat, and his “best” is a composite of the three influences. When in doubt, open yourself to the light of the spirit, and your “best” will stand out clearly under the illuminating influence. That best will be your Dharma.

A few more salient points characterising the ancient Hindu belief in “Private or Individual Dharma” may be given, which may not, however, be quite as well appreciated by the average western reader. For, it will be laying claim to certain achievements made by the earliest Indian sages of yore in the domains of spiritualism, which are yet far from being generally understood. In brief, from their highest regions of spiritualism they investigated out all the laws governing man’s life and actions on this planet—all comprehended under the one name “Dharma”; and then they proceeded to apply the criterion of that “Dharma”—the subtlest of things as it may appear to us—but which they could masterfully manipulate like any concrete thing, to all the departments, and divisions and sub-divisions of life and its functions, till not only an ideal life according to the “Dharma” was sketched out, but it was made incumbent on every body to live accordingly. The qualifications, as laid down by them, attaching to Dharma, were very clearly pronounced, and may be postulated as under:—

- (i) Dharma or Highest Action for man must be the same for one particular stage of evolution, as leading to the next step higher in evolution : there can be no two opinions about the "right" and "wrong of a thing, because perfect knowledge of the next higher step must be truth itself to the present stage, and truth must be one and never two.
- (ii) Dharma is not only based on the highest truths of all the branches of knowledge—of natural sciences as well as spiritual, of economics and politics as well as ethics and philosophy, of physiology as well as astronomy—but is, in fact, the very essence of all knowledge : as comprehending and correlating in proper perspective and their respective importance to man's life and action the various branches of knowledge.
- (iii) There must be as much talk and discussion of Dharma as possible, so that public opinion may be very strong about it. The Brahmans are those who constantly interpret Dharma to the people and act it out in their own lives. Practical Dharma of the highest degree must be the first quality of a teacher or a leader of public opinion, or any representative of the people both in public as well as private, before he can be qualified to hold his position.
- (iv) No education must be imparted by any academies to any student who does not first qualify himself in theoretical as well as practical Dharma.

- (v) Any the slightest breach of Dharma must be very stingently punished for, both by force of public opinion or threat of social ostracism as well as criminal court of law, although the accused should be fairly and trustingly judged and never harshly and prejudicially.

We will have more to say of this ancient polity later on.

Let us first proceed to examine Individualism from the point of view of the rationalistic school, before we can further make any nice distinctions.

The Utilitarians contend, as partly reflected in the familiar satire of Ebenezer Elliot,

“What is a communist? One who hath yearnings
For equal division of unequal earnings;
Idler or bungler, or both, he is willing

To fork out his penny and pocket your shilling.”
that all Communism remains open to the weakest point, that it has only to offer a society without a “system.” It is to say, as if we were “to lose ourselves in idealism”—to imagine a society without any “ordered system and organised law”, if you please; wherein we would have “a veritable dog’s life” and even “duty” could hardly be defined as indeed it was unthinkable to divide the individual fruits of labour.

The present gospel of the money-world is based on utility of the individual to the whole humanity, and it appears as being based on grounds of justice. One who supplies the greatest need of the greatest number, to him comes the greatest acknowledgement

of the humanity in money, material, and honour. The natural "Law of Use" holds good, that "the used key alone can remain bright" and any thing fallen out of use must die out, even as an unused muscle of the body will derive no nourishment. We must therefore not only depend for our reward from the judgment of the rest of the humanity according to our utility to others, but that it also forms part of our duty to our selves to gain a due recognition from it, and to advertise ourselves by all means until that due recognition is not given, as also, of course, it is the latter's duty to give a ready acknowledgement to one's utility and make no unnecessary delay in picking up the jewels from the dark corners of obscurity.

Next, capital's function being to connect the labourer with his tools; the farmer with the agricultural stock and implements; the litterateur with the printing press, the producer with the consumer; the employer with the employee; to be a middleman; an advertiser; a broker; commission-agent and so on, so that for these services and for the risk it undertakes it must be paid for.

If you set aside and rule out the law of utility, that will encourage pauperism, say the rationalists, by encouraging man's inherent tendency to fall down, to degrade and deteriorate, that it is the pinch of hunger and want which supplies the only motive force to action for improvement, uplift and betterment.

Next, regarding the ultimate object of existence, the rationalists would say, that it is to make efficient bodies and minds which can turn out more and more

beautiful and wonderful things from out of raw materials. The body-machine takes in at the one end mere Hydrogen and Nitrogen and Carbon and so on, but makes out of it, flesh and blood and muscle, nay more, makes mind, the most wonderful thing. Similarly, the mind after acquiring the world's knowledge and wisdom and experience must evolve more knowledge and wisdom. Indeed, our efficiency lies in our art. But, as there might be some who might go on eating and eating endlessly but producing nothing they would always only exhaust the world's stores and impoverish humanity. Therefore the reward of labour lies in our production of which the true value must be adjudged by the rest of humanity. And since even self-development requires some capital to be consumed in the preparation time; again developed arts and industries now-a-days require organised labour to work on a big machinery plant, thus requiring a combination of capital and labour on a large scale before we can make the whole thing productive, so we see there is no strength gained in the world except by reason of utility to others; and utility is service, is it not? Thus the greater the number you serve, the stronger you would go.

The rationalistic school will generally subscribe to a policy of reform, and would even vaguely concede some such statement: "As to why the present day world has bred so much pauperism is because of the abuse of power by the privileged classes, and by monopoly, as also due to a lack of proper standard of comfort in the labour-class. Remove the three

barriers on the road of progress of humanity, and the present civilization based on free natural competition would shine out freed of all evils and in the pristine glory of justice based on utility." But as for making definite proposals and enacting them out, its hands are tied perhaps in self-interest, for whoever would make laws against the power by himself usurped and enjoyed ?

Let us, however, take an exhaustive survey of those most "charitable" of ideas of "education and reform" as held by the progressive sections among utilitarians; and as in the case of Communism let us judge them from making out the best case for them.

Thus to build our edifice on the idea of justice of utility, it is not only true that we would be moving day by day at the present rate of progress towards a point when all labour would be as much of a learned and progressive section as any other, as well as the class of their employers; but it may be safely assumed that even the most ordinary labourers with their daily expanding sphere of knowledge would in due course quite cheerfully tolerate the ever-increasing distance between them, *the capital-less on the margin of livelihood*, and the ever-narrowing-down capitalist-section. There may be upheavals, the great commotions in society, of the nature of Bolshevism when the distance between the capital-less and the capitalist might be too poignantly felt, but with the greater education of the labour-class there would be one consolation. It is that perhaps the Malthusian would be set at naught

with greater success and there would not be such an increase of population as to day, and at the wrong end. They may be destitute and "poverty may be sin" but they will do far better than the ignorant labouring-class of today. Then possibly, it will be understood for the first time that all labour is one and has but one interest—whether it be mental or mere physical.

"Let those who would suffer judge of themselves and stand responsible to themselves" is the keynote of democracy, and let it be so in the matter of the inventive genius of the learned but capital-class of our race. Let those who will or can excel in the matter of self-development—that is their personal art of which they will reap fruits as of skilled labour—but if they dare give a material shape and advertisement to the triumphs of their inventive genius, let them rest assured that the major part of the fruits of their labour will go to the monopolists in the field of industry, the so-called vested interest, of which the closed ranks will not be easily broken open for one.

Thus let our highest guard the race of man at the most vulnerable end, that of the labour, "Shudra" class. Let us not make mistakes after such a general intellectual awakening of the whole human race to keep two "standards" in force, one for the "intellectual" the "civilised," and another for the colony of the "huers of wood and drawers of water." The result would be too apparent; the good old days of super-imposed coercion and distinctions forced

from outside have had their day, and if ever in future you want a good peaceful day, you can have it only through self-imposed restrictions on your own selves. The Malthusian law of the procreation of all animal kind above their means of subsistence does no less apply to the man-animal, and the economic law that "population has a tendency to grow in a geometrical progression while the means of subsistence increase in an arithmetical progression," owing to the operation of the "Law of Diminishing Return" must needs carry the weight of a spiritual commandment with us, the seekers-after and dreamers of milleniums. For instance, the enlightened men of France realized at last as a whole nation that, "God never sends mouths, but he sends meat," and so rose to the full comprehension of the law that we must multiply our kind or adjust our number according to the "meat." "There the birth-rate has been reduced very low; not so however the death-rate. This is the result of the extensive use of preventive checks in that country. The births can be controlled and reduced as low as we please; not so, however the deaths. All of us have got to die some day and if the reduction of births is carried very far; the birth-rate will some time be overtaken by the death-rate." *Quoted from the admirable treatise of Mr. P. K. Vattal, M. A. entitled, "The population problem of India."*

The keen supporters or professors of the Malthusian idea or of the Eugenics aptly contend that, in nature the increase of number of any one species of

animal life has a check in some other preying animal that lives upon it, but what check have we, the man-animal kind? In the words of Darwin, "there is no exception to the rule that every organic being naturally increases at so high a rate that, if not destroyed, the earth would soon be covered by the progeny of a single pair. Even slow-breeding man has doubled in twenty-five years, and at this rate in less than a thousand years there would literally not be standing room for the progeny." Those of the "learned school" looking the world with their self-complacent attitude would find in free natural competition a sufficient weapon to kill out the weakling of the race and holding it in perfect natural course their benign law of the "survival of the fittest" they would further condescend to remark that, well, if it were an evil, it was indeed a "biological necessity" even as "war was a necessary evil." It must be accordingly true of material civilization that we are born with the conviction forced upon us that there is a limited supply of the world's stock of our prime necessities of life, and hence in waging a keenest struggle for existence, in order to be possessed of a most civilised instinct, all we need do is to shut ourselves up in a way to blind ourselves from any necessary havoc that our grabbing of money and putting the world's limited capital on our way, might be causing among our other weaker rivals; and so the cry of our civilised age of "free competition" is "cover up", "cover up"—cover up all sorrow and sin and shame and bless the day if your odds in life are too easily covered up and completely forgotten.....

But where is the solution ? The Eugenist says that it lies in our birth-control; whilst its opponents declaim it first and last as being too ignoble a principle to find favour with the civilised race of man. "Times have gone for good" the latter would say, "when the weakling or the base-born child used to be left alone in the jungle or destroyed in other ways, times that tolerated the Hindu "Sutee" for who knows what life destroyed or unbrought into the world might have been a Shakespeare or Gibbon—however seriously may Stevenson contend, while speaking of "self-importance" that the world would have gone on quite too merrily and been none the less poorer, if even Shakespeare had not been born, or had died unnoticed, and so in our apathetic mood of indecision we seem to have adopted once for all the benevolent motto "Live and let live" in "Free competition".

And when there is no solution coming of the increasing difficulties of the major circle, or even a hope of one—for verily man lives more on hope than hopes realized—in the present age of capitalism, however otherwise sane and rational, and howsoever we may owe to it that it is, after all is said, sustaining such vast populations in the world—so many new schools are being daily set up to exploit its weakness, much like the communistic societies, that appeared from time to time in the history of the world, had their short-lived day and disappeared. It is the favourite game of the "idealist" to threaten us with ill-ominous forebodings, and they would quote Aristotle too as having pointed out that even "democracy" comes to an end at last, and after which he had to fall

upon some higher spiritual order conceived out of his meta-physical musings.

Now let us weigh the two sides. At any rate, it must be said that if, supposing it to be true, on the one hand, the experiments of Communism in the west has been so far in advance of their time there is no doubt whatever, on the other hand, that we have already had enough and more of "extreme utilitarianism" and have in fact, long since outgrown it—and of which the final doom is not far to seek. The present-day labour has only to assert itself and it will find itself all-powerful. The labourite leaders already wield enormous power, for good or bad, sometimes envied by even powerful Governments. Since the labourer is nearest to land and has become the working basis of all industrial organisations, it is but patent that, with closer cooperation on the part of the labouring-class, great upheavals in the civilization—fabric must be of too frequent occurrence.

We believe, however, that we may lay down the conditions ensuring permanent peace in such a state of affairs only by a right understanding of the law at the back of and governing this phenomena, and which law, we repeat, can be fairly interpreted from the practical shape and application given it in the ancient Hindu polity. The law may be put down: "Those who may show greatest attraction for life on the physical plane as against the intellectual or spiritual must be placed in a more favourable position to satiate their material cravings, than those on the other two planes." It is, in fact, just contrary to

what we have in the existing society—that the mental labour is valued in coin more highly than the physical, while the coin stands for all the comfortable equipments of the physical life. According to the law the greater learning or spiritualism is to be valued in greater honour and not coin.

But what we have done is to “ prostitute ” our intellect and make it an end in itself instead of treating it as a means to the next step higher of unfoldment—the spiritual mind. Thus, again, from Yogi Ramcharaka :

“ The animal lives its animal life and is contented, for it knows no better. If it has enough to eat—a place to sleep—a mate—it is happy. And some men are likewise. But others find themselves involved in a world of mental discomfort. New wants arise, and the lack of satisfaction brings pain. Civilization becomes more and more complex, and brings its new pains as well as new pleasures. Man attaches himself to “ things ”, and each day creates for himself artificial wants, which he must labour to meet. His intellect may not lead him upward, but instead may merely enable him to invent new and subtle means and ways of gratifying his senses to a degree impossible to the animals. Some men make a religion of the gratification of their sensuality—their appetites—and become beasts magnified by the power of Intellect

But once that we have tasted of the unforbidden fruit of knowledge and our “ intellect ” has come out

in full swing, it will take its full toll in human life and blood, before it can be led from "cleverness and self-advertisement" to "goodness and peace of the soul"; from self-aggrandisement to Communal cooperation; from outward show back to Reality again. We must, however, face facts as they are; and, after all, the departure has been taken—whether for good or ill, it is an accomplished fact. "Intellect" has entered everywhere as an instrument by which to specialise labour—and specialised labour means more production, hence great remuneration also. And, remember, it can no more be helped: you cannot stem back the tide of progress of even worldly or material knowledge, the real knowledge will come only with experience when the imperfect knowledge will be further complimented and subordinated to its better half.

Still, however, let us see if we can learn anything else from this "old scheme" of the ancient Hindu polity. The above law as enunciated in this connection may be further briefly expanded as thus:—

"Self-dèvelopment is the greatest joy; but it lies not in satisfying our bodily needs but in overcoming them in favour of the spiritual. The true strength on which an individual can always rely must proceed from inside, must be spiritual. Our duty to our physical bodies is not to supply its wants but to curtail them by reason of some newer and greater spiritual forces and faculties gained. The ideal of curtailing our pyhsical wants is not the preaching of a life of negative asceticism but it is of a higher positivism than

treating of the physical. It does never mean that the body must be ultimately annihilated or starved out of existence—nay, it would be farthest from the point to say so, it is too sacred—indeed, the “ temple of the soul ”—to be neglected. The aim is self-development through the body-machine which must be used to serve that purpose at the highest efficiency-standard. We should labour not so much to provide our daily-comforts as to keep our bodies internally clean and healthy, which would need less of outward protection—thus to combine the greatest possible economy in the matter of supplying our external wants with due regard to our higher self-development.

“ The ascetics of India always bring a message of peace, hope and strength from their forest retreats, for they have realized in wildernesses that the law of providence is ‘ to supply unfailingly the least possible wants of an individual without even any great exertion on his part ’ and so they mind not any little inconvenience, but in their seclusion seek to live in the highest plane of spiritualism and as near to Nature as possible. They do not throw themselves at the random mercy of the wild nature—but they go there for the practising undisturbed on their highest methods of self-development. It is not for all to quit their city life and retire to the jungles to follow on their foot-steps, as it is not every body who can find opportunities of conducting highest research-work in our present-day wisdom-laboratories. Indeed, we may quite as well secure in our worldly life the best of chances of our self-development on the higher spiritual lines, given of course the necessary “ Will.”

The true test of the spiritually-evolved is whether one has overcome his external wants by an overwhelming sense of internal bliss—the peace of the soul, and thus discovering in the silence of his heart an unbounded source of strength and energy has forgotten the lower nature of the body-temple. All the truth and knowledge being already hidden in the depths of his soul is simply revealed intuitively to his spiritual mind like an open book ; and he doubts no longer in the labyrinth of the intellectual regions like ourselves.

Just here, we must draw the line of demarcation between the knowledge of the world and the knowledge divine. The former is the knowledge gained by the West by proceeding from the external—through a collection of facts and applying a process of logical analysis and classification—to discuss the basic truths hidden from our consciousness : from the leaves toward the root ; whereas the latter way is the Eastern—to strike directly at the root of all-knowledge, Power and Bliss, by realizing the Soul of souls. As all knowledge must be one the results aimed at by both processes must always be the very same, but the reward of discovering knowledge by the first method must be adjudged from the utilitarian or worldly point of view—as is actually the case in the western civilization—while the reward of knowledge gained by the second course adopted comes with the knowledge itself : in the form of greater bliss and internal strength enabling one to be more and more independent of the external world and hence instead of needing any further reward from the world such an

one becomes the source of help and succor to others—the younger brethren of the race. As self-development must be the ultimate aim of all from the lowest to the highest on the path of spiritual evolution, the second method is the ideal one.

But it may be justly said, that we have almost no such persons of such developed spiritualism who might lead us in greater knowledge and that gained by the spiritual unfoldment and hence so long as we do not have such perfected men to guide our footsteps on the path of knowledge, we must needs value the knowledge of the world in terms of the reward of the world. Moreover the knowledge of the world would be pertaining to that of natural or material sciences—for it must go without saying that spiritual knowledge begins where the material ends—and as such it could affect us in connection with our physical bodies—for instance, telling the laws of our health and nourishment, or controlling nature to yield us our requirements of physical existence on earth—and hence such material knowledge must be valued, as we have now, on the scale of utility. Of course, in accompaniment of our intellectual exertions and cultivation of artistic taste, we would have at least some ground prepared for our spiritual nature to evolve much more quickly than otherwise but still the way is of the “world” and without giving to such a life the touches of idealism due to our growing spiritualism we would make a most bleak and barren sort of our lives lived unproductively in the true sense of self-development. In fact, all the so-called knowledge of the present world is mere “advertise-

ment business” for pure and simple “commercial purposes” and so to that end it is actually treated to be. Public opinion and attitude indeed more often reflects the exact truth and in the case of knowledge which is not for its own sake, and which makes one worldly-rich and highly-valued in money must certainly deserve to be traded with as being an efficient instrument of earning “bread and butter”. Moreover intellectual occupations also become a source of pleasure to the mind, just as bodily comforts; whereas the joyful Bliss of the spirit proceeds from within when the mind has been controlled to an unruffled calm and in fact annihilated to nonentity. Herein lies the fundamental difference.

In the ancient Indian polity, the State must be guided and the laws framed by those advanced souls who may have realized the source of knowledge and power within them and as all truly spiritual advancement is along the line towards the realization of the one-ness of life, such advanced souls would be imbued with all kindness, love and mercy towards the whole humanity, nay even to all living creatures within our power to help.

Now if the objection is raised that in the absence of such perfected human souls who is to lead the destinies of mankind we would frankly say, showing the spirit of the great universal natural law of adaptability, that we should make the best of selection for men who aspire to be at least their shadows and prototypes. Let us have men who are most sympathetically and kindly moved towards their poorer brethren; who are

most self-sacrificing—so much as to go without their food until there is one human being unprovided with his bread—and not make our parliaments out of the land and commercial monopolists as today. Let them who would be the highest-salaried servants of the State spend away all their income in charity and philanthropic works to support the destitute of mankind and by this means to equalise the distribution of wealth—which is the duty of the State and hence of State-servants as well, and not, as we have today, empty their pockets on the counters of the merchant-capitalists.

If only our statesmen let apart their state-craft and “diplomatic moves” used to set at naught the forces of unequilibrium, but understand for once the above stated law, as meaning that the common labourer’s daily wage must be quite sufficient to amply provide the most nourishing food and other prime necessities of existence and also allowing him to remain as “near to nature” as possible, we would have any amount of peace and plenty—a real millenium on earth. The fixing of minimum wage will insure a sufficient investment of capital on land—in fact, this minimum being the real criterion of the prosperity of a country. Moreover, no government should have a right to exist under which any person willing to labour remains unemployed, for it shows its inability to cope with the evil of “comparatively unproductive” application of capital, or in other words, enhancement of luxuries at the cost of human life: “food first and any thing else afterwards” must be the rule, and

not "putting the cart before the horse" as we have today.

The rule for the individual is that if he can earn his income by any means just sufficient to meet his elementary wants of life, he must not care to add any further luxuries to his life, including even the luxury of the so called "selfadvancement" through a constant acquisition of the "wordly knowledge," but should devote the best part of his time for spiritual development. And similarly for the ordinary labourer, you may fix an "eight-hour's or twelve-hour's day," whichever you please, but if he cannot be spared sufficient leisure to devote at least two hours of morning and two hours at dusk time for his spiritual progress, his life lived from day to day has been "a veritable dog's one," and the sin of such a coercion must lie at the door of our capitalists and the highest legislatures "who do not see." Similarly, if the labourer does not get the proper conditions, such as a sanitary seclusion, for his meditations in those four hours of morning and evening, which is hard to find in big cities nowadays, it is both a sin for the labourer to occupy himself in such conditions, as well as for the abhorred cities to continue to exist. It is the adoption of such a life that will lead to an understanding that "all labour is sacred," and men would not so frantically as today fight for more and more to an endless end of advancement in life, but will show the placid contentment of "living in God" as visible in the slow-moving society of the "teeming millions" of the East.

Then also the capitalist must learn to fear that the interest of his capital must not be opposed to labour, because if perchance his speculative genius fails him one day, he would have to be stranded down to the common ground of "labour to get a living."

We may in this connection also enter here some elucidation of one of the most advantageous points of the ancient Hindu polity and now preached by Gommunists, which is indeed the outstanding characteristic feature in all the departments of life of the East and particularly true of the hoary Indian Civilization—"The keeping to the natural." In its essence this great Indian teaching forming part of her great heritage from her glorious past, may be summarised thus:

"The enjoyments of mind are so endless, and in fact, many are woven round any thing by the mind itself according to its own faculty of art and culture, therefore it would be no good to let our minds run after appreciating art of this thing, and that thing, as indeed endless designs can be and are practically produced by the minds of all so many people—the muslin weavers, the silk factories, the finished leather-work, the beautiful colours of cinematograph, the artificial rubies, the thousand and one scents and perfumes and what not? that decorate our life in the present day—and so there is no end, the best thing would be to keep to the natural as far as possible. Any amount of beautiful paraphernalia can be woven round the simplest articles of existence by our own minds, and so we must fix up a certain

standard of living which we should all accept as the best adapted to pass our days with uniformity in our lives— by eating practically the same simple things, even cooked the same simple way, to have customs and habits the same from the king down to the peasant. New exhibits of art and designs may be gathered together for show, but we must be quite conservative in not changing that uniform standard of living and comfort, which must be as near to nature as possible, so as not to expose us to the danger of the forces of unequilibrium bound to harrass us so long as we give distances between ourselves, the favoured of humanity and those of the destitute-class. And if any new departure be taken in our habits and methods of enjoyments and the selection of articles for the same we must get the new things not only sanctioned and prescribed by the Government of the community, but that the Government itself should undertake to manufacture that article to the benefit of all and until it has been adaptable to all so as to occasion us the least possible shocks through an unforeseen change of conditions in our competition of life. Breaking from these conventions and usages must be deemed sin and sacrilege.”

Now after giving the fullest idea of the ancient Hindu polity, we think it well in the interest of our own countrymen to expose some of the mistaken ideas that have crept into its interpretation, or as a result of an imperfect view of it. There are, for instance, the “Indian idealists” building dogmatically on the ground work of the Vedas. They would also not hesi-

tate to proclaim on clarion voice' that they hold out a perfect solution of the world's Labour Problem, and their adherents are no less zealous than members of the Communistic societies. Much learned weight of opinion and controvertible arguments have been expended in elaborating a principle which is but the simplest when once properly understood. They hold the truth and the whole truth in their hands, but it is more often than not wrongly interpreted and hence highly misleading and detrimental to its proper recognition by the modern world. We will first show how the simple truth is perverted in its interpretation by its warmest advocates before we enunciate the truth ourselves.

It is said, that of the four classes in which society is naturally divided the first, the Brahmana class comprises of all the educated elements of society, those highest in learning and Dharma. They are also the lawgivers. Secondly, the "Kshatriya" class forms the executive Government—those that carry out the law; the defenders of justice and protectors of law—the fighting clan. Thirdly comes the "Vaishya" or the producing and trading class. And lastly, there is the labour-class, the "Shudras."

Further, it is explained that those of the first class possess ambition for honour, of the second for power, of the third for wealth, while of the fourth class they are merely dependent on the service of the above three classes.

Now we ask: suppose a person was first of all persuing some higher studies; then took to trade for

some time ; again entered on a job in a business firm ; then again took to educational service ; and lastly, say, entered on government service. Now how many changes from one class to another he has gone through—from a Brahmana to a Vaishya, then to a shudra, then again to Brahmana, and lastly to kshatriya. In which class would you put him? To this, the clever arguers would say that no brand of this or that class need be put on any body's face, that the four divisions were merely the inevitable result of classifying human nature and correspondingly the functions of man in society, that it meant no hard and fast distinctions, such as of caste or creed between man and man. It was then the result of a simple process of scientific analysis for our conception of a certain groupings-together of society ; and as such certain names were devised to express a certain aspect of view-point—no more, no less.

Then the question arises, why talk of this as a system to be a panacea for all world problems. The answer is given by describing at length the functions of all the four classes ; and adding thereto that evils spring up when any of the classes assumes more than one function—such as for instance, when the Brahmanas begin to covet money or when the Vaishyas, the merchant-class capture the government, i.e. when any one class exercises dual or more functioning, thus giving rise to the abuse or prostitution of concentrated power in one hand.

Well, we must confess, that the effect of such a reply is, no doubt, to make one hold one's breath

for a while and look up expectantly for more serious thought on the matter, for, the learned expounders of the principle would spare no pains in multiplying examples of the same nature, the abuse of power in the present-day society. We have also no quarrel that there is great deal of truth in what they say, except that we cannot help noticing some anomalous reasonings involved and a rather perverted interpretation of facts in the realm of theoretical considerations.

Let us quote some examples as cited in a speech delivered once by a very learned advocate and leading authority of the school.

“Once in the legislative Chamber of the State of New York (U. S. A.), a Bill was announced by a member of the House, that in view of the very great number of accidents happening from the tramway running on the busy streets of the city, the tramway company must be ordered to run over-bridge light tramways instead of on the ground. As that would have involved a great expenditure for the company, it bribed all the members of the House except the mover of the Bill to negative the resolution. Still he remained undaunted, till at the very last moment preceding his speech he was intimated by the secret agent of the company doubling the amount of his share of bribe, whereupon he withdrew the resolution.”

Further, it was commented that where the Brahmans could be bought for money, no good could ever result to the community; after which the lecturer

proceeded to eulogise the ancient Indo-Aryan society. It was said that the Brahmanas would not care to ride a motor car and afford like luxuries in a country where it was then customary that as the rich merchant capitalist riding a car happened to pass by a Brahmana walking along his way, the former would at once stop his car and coming out of it would give his obeissance to the Brahmana by laying prostrate at his feet and then proceeding further on his car. And so the Brahmanas in such a country, as knowing that their very honour and respect depended upon their simplicity would never stoop down to run after money, or else they would cease to be Brahmanas the moment they did and would forfeit their high position in society.

Now suppose a casual western reader might ask, "Is it then always a luxury to ride a motor car, never a necessity? How else should a Brahmana expect to move from one end of the country to the other and not waste his valuable time? Surely, at any rate it must be admitted that the good old teaching does no more hold water when applied to our modern days, than say, a good sermon preached on the evils of luxury, or of the value of honesty in the House of Representatives of the State. Is it not also true that in the same State of New York there were also many true Brahmanas produced, like, say, General Roosevelt, who weeded out may an evil and purged the whole system—then why make an adverse case for the present system by taking a bad example? Is motor car a sin really, to be abhorred by a true Brahmana? Now, therefore, it would be plain that either

there must be something wrong with the way the old teachings are put before us, or else they simply do not apply to our new age with its new developments. Then, again, it may be asked as to how you would know a true Brahmana before whom the merchant bent so low, and whether there was a whole class of Brahmanas in a certain country, if so what placed one under the category? It is all very well to say that one who combined a good and pious life, lived in full conformity with Dharma, with learning was a Brahmana; but not quite easy to understand and discriminate in practice, as we have today. It is certainly all a hopeless muddle, considering that the very atmosphere in the present age has its educational value with all the facilities of the printing press and the constant exchange of thoughts and discussion on all subjects, so that any body, even the most brainless capitalist can learn any thing while lying down in his bed-cushions and caring not whether the world spins to the right or to the left. Similarly, who would have a better claim to belong to the Kshatriya class, whether the common soldiers of the rank and file, or the most learned and perhaps also the "holy of holies" executive ministers of the State, and so on. And perhaps at the end of this series of thought it is piously expected that all the difficulties of the labouring-class would by themselves be dissolved when once the society has been purged of all its evil elements.

To these idealists—more of moralists than of politicians—we must say that while appreciating much of the old polity, we must at any rate revise, retros-

pect and take a stock of every thing in order to suit the need of the changing times and not get back with blind faith into centuries old garments, however well they might have worn in their times. Do not think to revive India of old or any ancient times when the old way to acquire learning was the way of hard penance and sacrifice: wanderings from place to place in search of any sources of knowledge and then collecting manuscript leaves. It was a time when ordinary people found it difficult and utmost exacting on their minds to read books, or to learn to write except to learn by heart certain rituals and recite them; whereas nowadays with the invention of the printing press things have changed—we have no longer to wait at the gate of knowledge, but on the contrary we keep it in waiting for us to pick up as long as we chose. Our children are now born prodigies of learning; and such is the intellectual age of ours that as declared by a German clairvoyant, “the world is now prepared to receive all the secrets of the knowledge of spiritual science which are now going to be laid bare before it.” There must needs be no “gurudom” of the old when “powerful incantations” and truths about existence were whispered in the ears of the “initiated” or “the true seeker”; while today even if our captains of industry were to find it rather irksome to study a particular problem even relating to the growth of their capital, well, we know that an expert private secretary who would do as well, or even better, is quite too readily available in our day, when the blessed Universities are turning out graduates with clock-like symmetry all the world over.

And so while concurring by all means as to the virtues of Dharma, we fail to appreciate how the Dharma evolved in the past can be held out as a panacea for all those evils of machinery and capitalism which had never arisen in the past, to which the Indian idealists have a ready answer: "get back to the past condition." And if we contend for a moment its unpracticability and inadvisability they give us a sermon of that most destructive creed of pessimism based on non-belief in the inevitable forward march of humanity in the scale of evolution, much in the like vein as communists who would court revolution first and progress afterwards, and as such they say: "Let us have true Brahmans, as of old, first and we will adopt to modern conditions with their aid and direction afterwards." On the contrary, the importance of the modern wave of learning as facilitated by the printing press and the modern means of communication, while no less to see the advantageous side of the increased productiveness due to machinery are under-appreciated by the idealists, who would not share the optimism that at the present rate of progress we are moving in a body to a world-Renaissance—although admittedly often at a tremendous sacrifice—and with the greater unfolding of spiritual consciousness coming to so many of our race we would have a whole race of Yogis and Brahmans and not only an order in the whole. It must be also considered a decided improvement on the old polity that modern "commercialism" has bound up the "Brahman" class also by setting a value on the work of even the highest

learned thinkers and writers, and not like before when the Brahmans should have to wait on the "good smiles" of the Kshatriya king to accord him the due recognition of his learning and when mendicancy was the rule for the highest spiritually-evolved, before they could be the best authorities on Dharma. And Dharma must now include the science of money, Political Economy, more than at any time before.

As regards our simple interpretation of the Vedic ideal conception of the division of society into four classes, we reserve it to our next chapter wherein we will also show the result of our own theories to be in full conformity with it.

Now let us pass on to make an exposition of our theory about "Individual and State property." We must first define the term capital, which it would appear we have rather loosely used so far. But we have generally consistently meant by capital that money which is laid out in order to be productive—such as, even the money spent in self-development or education of a child: or that forming the value of a landed-property or any other instrument of production: we can indeed express all capital in the value of money. What is then the difference between the possession of capital as distinct from money? And here we must acknowledge that the value of ready money as above any other form of capital, even gold itself, lies in its readily and universally negotiable nature. With money in your pocket you can secure any thing, but not so easily with any other form of capital—in fact, ready

money has a force by itself which is wielded in majority of cases by the moneyed-men as against those who would exchange their other capital for ready money.

Now there are two ways by which you can spend your money: one consumptively and the other productively—the former as in most luxuries and the latter as in a productive investment or even for the sake of advancement in life. Then again, we can differentiate between the money spent on our internal or external wants—the former, as in eating and drinking, or even supplying mental food by reading; the latter, as in clothing ourselves and supplying all other external wants. Of the former, that which has been once assimilated by our body and mind, none can rob us. Of what is within our minds none may even find out, our very thoughts carve out our future destiny and determine the stage of our self-development. Verily, the internal kingdom belongs externally to the soul—it is our very own, the reflection and index of the self, while every thing else is but fleeting and transitory. It may be said of the latter, our external world, that for our customs and manners, the conventions and etiquette of society, our modes of living, nay, even for our conduct and obligations in life we derive our laws from the society, to which certainly we are more or less called upon to be responsible: even the least unwieldy motion of the body may be a misdemeanour and a single irresponsible word of mouth tantamount to crime. The external world is the expression of the community as a whole—society first and individual next. Similarly

for the possessions and wants of the individual, which must be subservient to those of the community at large—keeping in view the rule of greatest utility, and so, fairly speaking, the external world belongs to the community, or its expressed will, the State.

Let us here digress a little to discuss whether the above statement tantamounts to saying, as advocated by Communists, that “all instruments of production belong to the State, and hence the propertied-civilization must go root and branch.” They raise the thorny question, why should the propertied only eat without labour and why others labour constantly? And, why should the latter serve as dependents on the former on their properties, when their labour produces, employed on natural or artificial instruments of production; while the “artificial” is also the product of labour and not of ease-loving monopolist-owners? It is further pertinently remarked that “Labour and thrift made one rich, while extravagance another poor—which is better, thrift or extravagance? And now with your property-rights, you enact the scene of the “wolf and the lamb” in the *Æsop’s Fables*.”

On the other hand, the “propertied” after making the fight unequal, say, “why not you, dear capital-less (fine words!), throw “bomb-shells” at us and let’s see the fun of it how you succeed in descending from on high into our aristocratic ranks and be one of us.” There the whole processes involving hypnotic spells are ever-ready and complete for the reception of any new-comer. They would further

add in a most genuinely-hearty vein, "As there must be always 'some one to give and some one to take, moreover, because there must always be only one king in a kingdom and so also, you see, a limited number of places elsewhere too, in commercial circles as well as landed units." Indeed, to them, every thing is resolvable into "unit, rank and file."

Such condescending effusions on the part of the "propertied" may be contrasted with the clenched-fist Communists vowing vengeance and swearing by their faith in Allah that as they have done in the past so they will have no rest in future, nor spare any pains, until they have demolished root and branch the last vestige of sham and usurped hereditary rights in property and all institutions of tyrannical inequalities and monopolies. The latter would uphold the claims of labour to be so high, as perhaps more than in the words of Carlyle,

"Labour, wide as the earth has its summit in
Heaven."

—first and last, the only criterion of merit, honour and distinction; while in the matter of scale of returns of labour they believe in sharing "half and half" in all things "worth having"—"good and beautiful in God's own creation", for they would sing:

"Are we not the children of our Father in Heaven?

And so and so we are

—Are we not?—

All in one and one in All,

Equals and Equal-born,

Children of God on High!

And so we shall remain,

There is no low nor high;
 'To give' is our watchword,
 'Labour to get' by all means,
 And God's law to maintain,
 For, we fight to obtain
 The kingdom of Heaven."

Now let us, who seek the very best—second best would not do—weigh the two sides. In a word, if on the one hand there is impetus to labour or competition wanting in Communism there is, on the other hand, the evil of luxury, monopoly and property-rights in the present-day civilization. The former would be, so to say, without "variety" and without "humour" against which entire Nature would seem to rebel, for the natural law is higher and higher differentiation and class-formation, although of course as a rule, it must be a paramount duty of man to counteract that nature which expresses itself through "instinct" in the animal or lower Kingdoms, and to constantly realize and remain conscious of the Unity of Life and One-ness of the Absolute-self, to whose Will, the Urge of Evolution, he must be always resigned and thus ever be a fount of love towards his fellow-brotheren. But what in practice? It remains profoundly true, that "to be one in God" is the end but like all "ends" it is only to be wished-for and cherished, never to be reached in practice: at the "end" we shall be no longer two of us to need this preaching. In the words of the poet, Goethe,

"Perfection is the measure of heaven, and the desire to attain perfection the measure of man."

And, here, are we not reminded of our Browning ?:—

“God’s in his heaven—
All’s right with the world !
Grow old along with me, —
The best is yet to be.”

We may at best take our ideal from the mythical periods of ancient Hindu polity, when no few “touches of idealism” were given to lighten up the burden of the daily life of the individual due to the strong hold on the peoples’ mind of an ideal conception of Dharma.

The old records are full of teachings, such as, for instance,—“An ascetic goes about on the verge of starvation, and when he gets a loaf of bread at last, a dog approaches him, where-upon taking half of the bread he gives to the dog and eats away the other half himself. On being questioned by the passerby as to the meaning of such a “foolish behaviour” he explained that the half bread, which he had flung to the dog was the real one that he had eaten, for it would come back to him according to the Karmic Law of Compensation in life here-after while the half that he had consumed had gone to waste.” Take another of a folk-tale. “There were two farmers quarrelling over the ownership of a certain tract of land. At last they brought up the matter before a Kazi who told to them that both were mistaken in lying claim to any part of the earth, for indeed, it were they that belonged to the common earth which would claim

them back in due course, as sure as death. Thus they took the advice not "wisely but too well," and "made up" between themselves. One more story, and this too real and living, of martyrs of all time who threw their lives as thinking a "burden on the earth" cheerfully to satisfy the aggressive and oppressive propensities and proclivities of their undeveloped brethren. They lived great and were still greater in their death, because they did not live to take their share of a sinful and corrupted world and passed on in their journey to better-evolved worlds. It is when people take death as light-heartedly as life seriously; that they are truly victorious in their life as well as in so called death.

But how far we are removed now from the fundamental fact of "fraternity and equality" by reason of our having adopted a "propertied" civilization must be simply deplorable. And since the economical and ethical conditions have very much changed from what they were in the pre-machinery era, what we want is to apply such suitable safeguards as would ensure our obtaining the same state of "plenty and prosperity" without having to go back upon our new out-look on life, created by—firstly, that we do not want the old simple life but want "luxuries" too; secondly, consistent with the new aspect of the enormous increase in human population.

The standard of "plenty and prosperity" which the Government of a community must secure at all cost must be judged by the following acid-tests.

- (1) There should not be a single case of unemployed labour.
- (2) The minimum daily-wage must suffice to support at least a family of ten members, amply as regards food and other prime necessities—the labouring-time being not more than six hours a day.
- (3) The food must be so cheaply available as to require almost no labour, hence the greatest possible investment on land by the most improved methods must be secured.
- (4) The minimum wage should go on increasing and the prices should go on falling, even with the increase in population.
- (5) The land-revenue must be the least, the very, very least.

Remember, that we are taking a new departure from the old polity, and so all the more we should enter on a conscious stage of recognition of the basic communistic truth—the Unity of Life and Equal rights of man. We have rejected some of the precious principles that were holding good in their own time, and we must take a stock of them—because even if we may retain none of them we will learn of the extent of sacrifice in throwing over such time-honoured principles—before we may well judge of the new conceptions of “State-ownership” and “State-production.”

Those principles are, so far as we can analyse and as we would style, (1) The “Honour Theory.”

(2) Private ownership "on trust." (3) Simplicity and Uniformity in living.

According to the first, the intellectual part of the work should make for no special material gain. Only when you speak or labour with your hand to express your mind—your physical exertion involved is what you must be paid for. Take the case of an artist, of whom it may be said that the value of his picture depends on its beauty or demand, while it is the product of his mind and hand working in harmony. Now how much should he deserve in comparison with an unskilled labourer? He has done less physical or manual labour than a field-labourer; then again his has been a clean labour as against a dirty labour; again from mental occupation he has derived pleasure for himself—so that from his comparatively easy manual work he will earn his livelihood now. If his painting has taken him a month's time, say, he may be paid a month's daily labourer's wages, because more easily than a labourer he can work for another month again to produce another like picture. Surely, one day's labour should not suffice for a life-time—you must work constantly.

Three objections may be raised here:—

(1) What about the provision for such a genius in the days of infirmity?

Answer:— The same as in the case of the common labourer, who must provide by saving.

(2) What about the compensation for risk for that one month during which he pro-

duced the picture, for suppose the picture had been accidentally torn up when near to completion? .

Answer:— Well, who told the artist to take the risk? It was his own undertaking and he must suffer for any mishap. As for his greater art and genius shown above the average, he will gain the advantage of a quicker recognition of his one month's labour well-spent. So there is nothing due to him on the risk account, for who does not after all run the risk? Greater remuneration would have been certainly due for any greater risk of the physical body as in any of the unwholesome or trying occupations, in which case there is the probability of having to recoup any lost health which might necessitate more expenditure.

- (3) What about the profits of the artist's capital expended in production?

Answer.—Regarding the profits of capital—the case of “money begetting money”—the ancient polity lay down in clear uncompromising terms that, you could not derive more than double of your money through any investment. Hence the artist may charge on this account no more than double the cost of the material used in his painting.

Thus, as to what would have been actually done in the ancient days, if the artist would have been

offered a very handsome price for his picture owing to higher and higher "bids" with increasing demand, was that he would have no doubt accepted the best offer, but after cutting off his due profit as calculated on the above principles, he would have given away the rest in charity, such was the Dharma! And if the king had also appreciated the picture too well, he would have handsomely rewarded the artist for his special genius—which reward was again his due by all means. On this very principle, knowledge was never sold by teachers but was freely imparted and the teacher had to live on a "labourer's fare" for which allowance was given by the State.

II and III.

The theories of "Private ownership on trust" and of "Simplicity and Uniformity in living" may also be briefly summarised. Putting it in the words of a capitalist trader or land-owner as speaking to a daily-labourer, he may well say of his class quite innocently, "Well, we are the mere "trustees and treasurers", so to say, of the instruments of production or of capital which otherwise are common property. If you please you may fix our uniform daily wages irrespective of the quantity of capital in our charge. The only difference which our comparative wealth makes in our position is, in the matter of "greater stability" that we would continue to get our daily-wages from our hoarded treasures, unlike any daily-labourer. And even if our consumptive application of labour is greater than of an ordinary labourer, that greater expenditure also goes to support some or other honest

labour. And if, on this, we may be guilty of some other crime, such as vanity, you know that according to the inexorable "Law of Karma" our sins would overtake us sooner than we believe, for "the soul is its own executioner." Hence, why not let us be in keeping of your capital which serves a good purpose and depend for more on the Mercies of the Providence."

Bearing on this, the present writer knows of an authentic story current in a Native State of India, that the Rajah, on a certain occasion, realized in his usually bankrupt treasury, a big pile of gold from his revenues. As the money was being transferred under the Raja's orders from the State-treasury to his palace to meet his consumption, a certain big Mahajana or moneylender of the State persuaded the bearer of the treasure to empty the sacks in his own cellars on the way. Later, when the incident was reported to the Rajah, he quietly acquiesced in the Mahajana's will, saying, "Alright, it is the same thing wherever the treasure may be safely within the domains of the State, and the Mahajana in question has proved his worth before also in times of need and so would be no bad treasurer."

Thus on the whole, we see that, the keynote of the Hindu polity was "Trust the individual after teaching him Dharma which inculcated on them the ideals of "Plain living and high thinking" and "feed the labourer well."

They had not, then, so much of the "Population problem" to cope with, although, still, their ideal

scheme of life provided a sufficient check to any such menace. The spiritual laws controlling the influx of human population, we would consider in course of the next chapter. And, now in plunging again into the knotty discussion on the fixing of the line of distinction between individual and State ownership, we must repeat that our judgment must be guided in the spirit as shown throughout the above digression, and on the lines that we should dare to be removed only so much from the basic communistic ideal that we might not lose sight of it and as would always afford "peepholes" for us to get glimpses of the heavenly light of true humanity.

What is then the relation of the individual to the State? Is it not something like the cell in the body to the Whole Body? The cell life has its humble rôle of independence to enjoy as a distinctly separate entity, and yet it moulds and adapts itself completely for the purposes of the one-body, to serve the necessity of forming part of the bone or muscle, gland or nerve fibre, or even make a mental cell and subscribe its little quota of thought to the whole thought of the One-Personality. Through the One-body of humanity comes the urge of Evolution—the message of One Personality—to each little cell-life, which is thus led on to ever better and higher unfoldment. Remember, it is always through the One-Community that our rewards come, and we want that community now to exercise a conscious influence on the individual functioning, such as may be conducive to the good of the whole and not only one part at the cost of the

others. One member of the community cannot draw upon the whole community with impunity, but as to how much one can in all fair justice, the community must decide for it. If the excessive profits of a machinery-plant are to be divided among the labourers employed on it, instead of the one capitalist owing it, it makes hardly any improvement in the situation, for instead of one profiteer we would have now, say twenty, but all the same although the class of monopolists is expanded a little, it is, nevertheless, still a privileged class, eating at the cost of the rest of the community. How that will of the community can be manifested so as to exert its influence on individual action, without also trespassing on one's freedom of action, has presented an unsolvable enigma to many a writer and thinker on the subject before now, but we trust by our way of differentiating between the individual and State property, it could be completely solved. But remember please, that your ideal must be to curtail the demands of the body as being a "burden on the common earth," and not as some would subscribe to the view of divine right and hereditary property, that, as "the king's body is his dominions, for he shares with the people's joys and sorrows" similarly, the owner of a concern or property has his body extending over the length and breadth of his ownership.

We will make the distinction in a few words. That which is inside the individual, his art and talent or muscular strength is his own property as well as the cash money in his possession. For, with the latter he can exchange any thing he likes at his

pleasure. But, besides these all else belongs primarily to the State and must be at the disposal of the State. For, as soon as you have exchanged your money for some other form of capital, it must be either a productive or consumptive application of your money, and in either case the things that you have bought with your money must be devoted to the advantage of the community first and yourself afterwards. You are certainly free to purchase any thing with your money, but must be dependent for the use of those purchased things on the will of the community. Or, even suppose you are let go as regards your preference for the consumptive use to which you put your money, you cannot certainly escape the responsibility of deriving an income from a right kind of capital. Suppose in the interest of the community the State rules out against the wasteful luxury of the motor car. Then certainly, instead of controlling the action of those using the motor car, the State might as well stop its further production by its manufacturers; so that, while leaving you free to use your money as you please, it controls the manufacture of those wasteful articles of luxury on which you may be likely to spend your money contrary to the best interest of the One-Community. But there also you may think it an encroachment on individual "freedom of action", and it may be feared that the coercing will of the community, however sanely it may be guided, will be found to be in the long run no more justifiable than most individual actions, not to say of the likely abuses of any power of intrusion or interference in the private effort of the individual, vested in the State. We may

assume, however, that our solution, as will be laid bare in the next chapter, will give rise to absolutely no occasion whatever, of any such State-encroachment on individual liberty, but what is that much-dreaded thing, the State, let us clearly understand first of all ?

A State has been defined as "A political community members of which are bound together by the tie of common subjection to some central authority, whose commands the bulk of them habitually obey." It is stipulated that the recognition of a supreme authority is essential to the formation of a State, also it is implied that a State must cover a certain fixed area over which it exercises its jurisdiction. But the modern commercialism has overspread all our institutions in such a way, that our modern governments too are no exception; and we find that every new department added to the State is made self-supporting, so that it draws its own income for its sustenance from the community. It is no longer on the land-revenue and incometaxes alone that all the State functioning is carried on, but we see the stamp-duties for the Judicial Department, postal rates for the Post Office, and so on, one thousand and one rates to pay. Thus the modern State is not only a common organisation for giving law and order to the community, but satisfies many other wants of the community like all capitalistic commercial organisations, with the only exception that in dealing with the private capitalistic concerns we can take our choice between two or more of them performing the same functions, while the functions taken over by the State are its sole

monopoly throughout its area of jurisdiction. And supposing for a while, that the territorial monopoly of the State might be removed, it should not excite much of our wonder to see more than one State penetrating or functioning one within the other, to suit the requirements of the various groups of individuals; with of course inter-State arbitrations to decide the cases arising between members of two different States. But, as along with any such probable progress of communistic institutions we would also be having a greater exchange of ideas and cultures, there is no doubt that instead of dividing and differentiating out into various groups, they would be drawn nearer to one another with bonds of better understanding between them and what is more, they cannot resist the urge towards unification on the common basis—that one purpose of Human Existence—One Dharma!

To quote Mr. Norman Angell from his world-renowned book "The great Illusion:"

"Very early in the religious development of Europe there ceased to be such a thing as a purely Catholic or a purely Protestant State: the religious struggle went on inside the political frontiers—between the people of the same State. And the struggle of political and social ideas must take a like course. Those struggles of ideas will be fought, not as between States, but as between different groups in the same State those groups acting in intellectual cooperation with corresponding groups in other states. This intellectual cooperation across frontiers is a necessary

outcome of the similar economic cooperation athwart frontiers which the physical division of labour, owing to the development of communication, has set up. It has become impossible for the army of a State to embody and fight for an ideal, for the simple reason that the great moral questions of our time can no more be postulated in national terms.....

.....In a thousand respects association cuts across State boundaries, which are purely conventional, and render the biological division of mankind into independent and warring States a scientific ineptitude.”

However, as it may be, at least to one inevitable result we must soon follow suit, and that, as the tendency of the modern organisations has been to economise labour and time, similarly it would be a one step forward taken by those of one class, to identify their common interest and so instead of competing like rival units they would make treaties between them and thus give rise to what we know as “Ring formations”. As for instance, suppose the millowners of a certain manufacture decide to charge a certain high rate of profiteering, or suppose the cultivating-farmers—who are more often made the victims of the ruthless money-power of the capitalist trades-men, were to combine to fix upon a certain fixed rate at which to sell corn, ofcourse even then the tradesmen whose business it is only to distribute the commodity, would there is no reason to the contrary why they should not, still like to squeeze out their profits and hence would purchase even at the enhanced rates—which would ultimately tax the whole community to

the exclusive advantage of the class of producers. How can the State force the hands of those forming the "rings"? arises the question. A State, powerless—for reasons of having no policy of its own except trusting to the blessed law of "free competition"—in the matter of guiding and controlling individual action must be ever more so against the joint-actions of a whole class. Would the solution lie without resorting to coercion, in the action of the Government entering into private competition like any other commercial body in order to destroy the excessive profiteering by "ring formations" or else, which is the same thing, by encouraging some new private effort to enter into competition with the Ring monopolists and thus dividing up the Community of similar interest? And with the growing strength of tradesunionism, there would certainly be a daily-increasing association on the part of the mill-owners too, who would not the less, come to a closer understanding of their common interest and thus combine to tyrannise over the community much as Government class by reason of its force charge too large a share for themselves by levying heavy taxes. However, we hope by our theory the State-action would be reconciled to the idea of the formation of community-interests, and even more so, the Government would include departments corresponding to all the industrial lines, or so called "trade-guilds" and employing experts on its staff would help and assist all private effort. Each guild would be by itself a commercial government only presided over in each case by the central government. How can such communities of interest be

formed and still allowing free competition in private efforts, is reserved to be shown in the next chapter.

Let us here do full justice to the idea of "State-production and State-selling of the prime necessities of existence" by summing up its too apparent advantages in the following respects:—

- (1) No more need of raising revenues, as the major part of the present-day State income is derived from the landed interest.
- (2) The State, being a representative body of the whole community, would be the best trading body in the interest of all.
- (3) Greatest production as being greatest capitalist.
- (4) The State will be the greatest employer of labour, and hence a majority of the labour population would not have to be at the mercy of private capitalists—the stability of government service is proverbial.
- (5) There need also be no compulsory labour of the Socialist to be imposed by the State on the individual.
- (6) No hierarchy or nobility tolerated—like land-lordism—except by reason of personal merit and distinction—all State-posts being open to public competition.
- (7) Best control of export and import of the food-stuffs and raw-materials; and hence

also better international control in the best interest of humanity.

But, to take the other side we would see that the idea of State production implies that all capital pertaining to land, even cattle, should be conceived as State property. How is such a surrender of private property to take place, in what way are the owners to be recompensed, what portions of land are to be left for our living purposes to erect houses on and how much allotted for our gardens and pleasure grounds are some of the many apprehensions raised by such a possibility? Next regarding State-selling, it would imply the working-rule, that "no one can purchase more than he can prove to consume, or in other words no one can sell raw materials which the State would sell."

In spite of all these and similar changes proposed, of however revolutionary and sweeping nature they may be, there is no doubt that the present-day man's intellect is growing into a comprehension of the far greater utility accruing to humanity from State production than could ever be possible by private endeavour,—indeed, much respecting the Communistic ideals has been woven round central idea of State-production. In fact, all other difficulties in the way of adopting State production would have been overcome long ago, except for the difficulty of finding any suitable recompense to the owners of land and other agricultural stock and implements. Some may think of the State to create sufficient artificial money with which to purchase all the land according to its present value from

the land-owners—that created money to be as loan on the community, issued in the form of promissory notes offering a certain rate of interest, until the debt is redeemed. Another compensation may be, to employ the land-owners as paid servants of the State wherever they could render useful service, while the tenant-holders may be turned into the paid agricultural labour employed by the State.

This account we trust, will prepare our readers' minds to fully appreciate our whole solution presented in the next chapter.

CHAPTER. IV.

The solution in communistic principles applied to Individualism and a right combination of the above theories of loan, property-ownership and state-production—Its effects on land-owning interest as compared to Mr. Henry George's proposals with regards to land-owners being reduced to mere tax-collectors or land-agents—Also presents a solution of the Housing problem in cities—A summary of solutions—Notes on the cosmic spiritual laws of population ; qualifications of the State-servants and the growth of a truly Brahmanic order.

Our solution shall be briefly told, for it remains only to connect up the parts that have been already built for it in the preceding chapters. We have shown that all our external property and instruments of production belong to the State first, and to us afterwards, while that which is locked within our body, as well as the amount of current coin in our possession belong to us first and last. As soon as you have invested your money in some productive industry, the capital such as machinery plants etc-which you would buy with it becomes the State property, while you are merely the lender of money to the State. As you may be probably yourself supervising the work started by your lent-out money, you may by all means draw a certain salary, above which all the dividends that you draw must go in payment of your invested money according to our theory of loan.

In our advocacy of State-production, we would, generally speaking, apply two rules :

- (1) All instruments of production are State-property in theory, otherwise may be treated as private property subject to certain qualifications and conditions : generally with a view to fight out all "monopoly" whereas instruments of consumption are wholly private property.
- (2) All must earn their wages fixed by the State, while the profits ultimately go to the State.

But let us make a beginning from the very first How did the very idea of a machinery-plant or any multiplying-industrial-organisation come to occur at first? Picture in your mind the pre-machinery days, when an artisan first comes to you bending on his knees and tries to squeeze out your money by demanding exorbitant charges, as you imagine. Then you devise a scheme, and make a "collective" stand at last and invest some capital, being sure that thus you will gain something too. Well, you "bribe" an expert in that line, pay handsomely for a manager, a mechanic or engineer and so on, then through them you obtain the necessary labour at a compromise and succeed in your object.

Now analyse the first step- Your investment of capital is tantamount to the same thing as the establishment of cooperative societies is the cooperation between the buyer and the seller. Yours is at

first between the buyer and the manufacturer or producer, and it is in the right direction so far as you cheapen prices for the consumer.

Now one man gave his money on risk; another gave his talent or invention; the third his labour whether managerial power or mere manual labour. The three man-combinations here cannot be one-man, one-unit as in the joint-family, because their cooperation is instead of being based on love—"labour according to capacity and reward according to need" rule—is based on opposing interests. You say, "the last man gets according to his value in accordance with the law of Supply and Demand; the second man settles his own conditions with the capitalist and gets some recognition from the State; while the first gets illimitable returns of money in profits due." We only beg to say, that the first should get upto double of the original investment and no more, and that too in broken returns. In the second case we quite concur. In the last, that of labour, we would apply the rule for payment of labour, that "you must be responsible to the labour employed by you, especially productive labour and not apply the laws of "Supply and Demand of labour."

Now how to analyse the three items in each case remains the question. Then, there are possibilities of combinations in the three groups, such as, (1) Capitalist and inventor in one. (2) Capitalist and labour in one. (3) Capitalist, inventor and labour—all the three in one.

Here the second case is natural and normal as used to be before the machinery era. A village carpenter, smith or potter is his own capitalist and labourer combined. The labour employed consists of the members of the same family, or say some apprentices or novices under training; and then there is not much of labour-saving devices or machinery used in this case. Hence we need introduce no novelty in their status, as they have contributed none at all to the new economic change of conditions. In the third case, the only regulation required to be applied must be that no monopoly is to be allowed in the matter of invention, which must be duly rewarded by the State. Thus we can easily dispose off the last two cases. But in tackling the first case we must consider it in two distinct parts.

I. capitalist separate:—“Limited liability”

A joint-stock company is floated with a certain subscribed capital. Well, the risk is only upto the amount of the first subscribed capital, though only a part of share-money is realized and the rest left for further calls. In the same category comes any other limited liability company, of which the cash investment at the time of floatation is definitely fixed and the regular dividends paid to the share-holders can be definitely ascertained. Now when the dividends amounting to double the amount of original shares have been paid up, the company-ownership passes on to the State. If the capital has been resubscribed, the same process applies to the second investors. After the capitalist-section has been paid off, the profits must go to the State, because the instrument of production

must continue to exist for the sake of labour employed on it. Ofcourse, in this the inventor presents no difficulty, being disposed off as aforesaid.

II. Capitalist involved—"Unlimited Liability

In this, the difficulty is great, but not certainly insurmountable. It lies in this. For instance, take the inventors, the Mandel Brothers, of instant photographic positive plates—they had small capital to begin upon their invention. Now, should they have got only double the amount of their initial capital, after which the invention as well as the right of production of their "plates" should have lapsed to the State? That would have meant that there could come to existence no such "Ferrottype company of Chicago" as stands today the pride of the two brothers, and consequently a small capitalist could hardly ever aspire to become much greater capitalist, however deserving and ingenious he might be. Another way of looking at the difficulty would be like this. Suppose a capitalist manufacturer of leather work, employing a number of workmen argues like this: "well, with my initial investment of capital, I organised the work and labour etc., now I put in every day at one end the necessary raw materials and take out at the other end the finished leather work. Does that rule of yours, call it the "Double-return-rule," mean that I should charge no more than double the actual cost of my articles produced? That would be only too good in my interest, because in actual practice, the blessed "Free competition" does not allow me even 50% profits on my manufac-

tured goods. By all means, I would willingly forfeit the ownership to the State, if ever charging more than 100% profit."

Now, in giving our solution, we hope, our procedure or way of a reasoning would steer clear of any such make-belief difficulties. We will at once proceed with the elaboration of our theory.

Suppose you derive 10% dividend on your originally-invested money. If it is an expanding business, it would perhaps make it paying for you to invest more. Moreover, you must also be very interested in investing more money very soon, at least before your original capital has been paid up by the dividends you draw. That means, you would like to leave off a portion of your dividends in order to increase your investment, of which the double amount you are ultimately to receive. Suppose out of 10% you are leaving off 5% and drawing only half the dividends in payment of your investment. Thus, you are adding 5% of the original capital to that capital, which must return to you a sum which is 10% of the original capital. So that, while your debt on the State is increased by 10% you have only drawn in payment of your debt 5%—thus increasing your investment only by 5%. Think it over thoroughly before proceeding further. Suppose you had taken over all the 10%, it is so much the better for the State, for you would have been paid up sooner. Indeed, it is assumed, that the State would like to pay up its debts the first moment you may make it possible by earning good dividends—for remember the responsi-

bility is entirely yours, in making the business a paying or a losing one. Then, at the rate of 10% dividends annually, even if you go on charging the whole amount in payment of your original loan, it would take you to be paid up at this rate in twenty years. Suppose after the nineteenth year you do not want to stop running on the business in your interest, you may only draw 5% dividend from the twentieth year dividends, thus creating a new debt on the State of which the amount shown in the above calculation, would be 5% of the originally-invested-capital—because all dividend-percentage has been taken on the original capital. In this way you are at liberty to either increase your loan again at the rate of 5% every year, or say, every alternate year you may leave off 5% out of the 10% dividends, and so although having now practically very little of your investment left unpaid, you can go on deriving half and full dividends alternating each year. But can this go on for ever, here is the hitch again? Do you think the 5% dividend which you leave off every alternate year, can be gradually absorbed by your expanding business for always? There comes a limit of investment, as we explained in a previous chapter, beyond which you cannot draw further interest from any particular line, and until that limit is obtained, the State welcomes you to draw your incomes right gladly, which will also be a stimulus to you to invest more capital in the line; but when no more of your leavings-off from the dividends were to be required by your business, when indeed enough capital has flown to your productive industry as supplying the need of the community, your leavings-

off from the dividends would no longer be accepted by the State ; and hence all the future dividends would go to clear up your loan advanced up-to-date, *i.e.*, by paying back double the amount of money advanced by you.

Take another example to make the idea perfectly clear. Suppose out of the 10% dividend accruing to the concern, the capitalist leaves off only $3\frac{1}{2}\%$, what happens then ? He has withdrawn the rest ($10 - 3\frac{1}{2} = 6\frac{1}{2}\%$ dividend which ought to go to pay back his original capital ; but, for the $3\frac{1}{2}\%$ left off he must get a return in future of 7%, which means he is adding up to his loan $\frac{1}{2}\%$ of original capital every year even though he was withdrawing so much as $6\frac{1}{2}\%$ out of 10% dividends. But if he withdraws even more than $6\frac{1}{2}\%$ out of 10% dividends, say 7%, he would be adding to his original capital $2 \times 3 = 6\%$ while taking off 7%, which means for him a reduction of his original loan by 1% in that year.

Now the same argument as given previously in connection with the discussion of our loan theory may be repeated, that the greater the part of the dividends that the capitalist absorbs for himself, the sooner will his loan be paid up ; while the slower the rate he cuts off for himself the longer he can derive his dividends. In either case, it must be a matter of indifference to the State, seeing that the private capitalist shares the same degree of interest as ever before in expanding his business, until the concern may take up no more capital, and the limiting-point is obtained. And so we see the individual is left to perfect freedom of choice

and action in an atmosphere of free competition while his interest in such a case is identified with that of the community.

Let us consider a practical example to make the case quite clear:—

Suppose a factory is started for the manufacture of, say Mandel cameras, of which the establishment costs 1000 Rs. only. Suppose the cost price of each 'finished camera' comes to be 10. Rs. and suppose it is decided to charge 50 % profit on each sale. The other data will be evident from the following chart:—

Time.	Number of sales	Cost price.	Cost price + Estab-lishment	Sale Price	Profits
1st month...	100	1,000 Rs.	2,000 Rs.	1,500 Rs.	500 Rs.
2nd ,, ...	200	2,000 ,,	3,000 ,,	3,000 ,,	1,000 ,,
3rd ,, ...	300	3,000 ,,	4,000 ,,	4,500 ,,	1,500 ,,
4th ,, ...	400	4,000 ,,	5,000 ,,	6,000 ,,	2,000 ,,
5th ,, ...	500	5,000 ,,	6,000 ,,	7,500 ,,	2,500 ,,
6th ,, ...	600	6,000 ,,	7,000 ,,	9,000 ,,	3,000 ,,
7th ,, ...	700	7,000 ,,	8,000 ,,	10,500 ,,	3,500 ,,
8th ,, ..	800	8,000 ,,	9,000 ,,	12,000 ,,	4,000 ,,
			9,000		18,000,,

Paid up.

Thus, at the rate of 50 % profit, although on an increasing scale of sales every month, as shown, the profits of the concern would become double the "maximum" investment in a period of eight months ; after which the right of drawing further profits must devolve on to the State. Here in order to avoid this early transference of ownership to the State, the rate of profits should have been lowered—which would have resulted in mutual benefit as regards the community and the manufacturer both.

Again, suppose the maximum sale would have stopped at 400 in successive months after the fourth month; then, in the fifth month our total investment would remain at 5,000 Rs., and the profits accruing for the month at 2,000 Rs., and similarly for the following months. Now adding up the profits at the end of the sixth month, we find the total comes to.

(500 + 1,000 + 1,500 + 2,000 + 2,000 + 2,000) = 9,000 ; whereas the maximum investment would remain constant at 5,000. Hence, evidently, in course of the next succeeding month, another 2,000 Rs. of profit accruing to the concern on the same constant amount of out-put would make the profits more than double the amount of "maximum" investment. This would be a case of "maximum investment in a certain line," because henceforward if the factory out-put remains constant, the "community want" being thoroughly satisfied, you may decrease the rate of profit to the very minimum yet you cannot escape the time, sooner or later, when the sum total of profits would amount to double the maximum investment.

Please note, in all this process, to avoid many fallacious reasonings and pitfalls, the "maximum investment" does never mean the sum total of investment made every year, but the greatest total capital-value of any particular year: which must nullify the doubt raised in the beginning of this discussion that "we put the cost of raw materials at one end of the factory each day, which must bring us a double return of profit." Remember, the "profit" means something over and above the cost of "raw materials and daily labour used," and as such it must be held distinct from the latter which must remain just the same in the concern, unless added to or subtrated from the next year, or month, as the unit of time may be fixed.

How is the State going to take over charge of that concern in which the limiting-point is reached and all the private capitalists fully paid up, is our next object for consideration? We have already drawn attention to the tendency of the modern State, to open new State departments corresponding to various arts and industries and employing experts on its staff. Suppose one department to supervise one industry, it would be no difficult matter first of all to check and audit all the financial state of the private concerns, and thus knowing all the data of the original capital invested or its assessed present value at the time when work is commenced on our theory—the dividends accruing every year and how much of it is distributed among capitalists and how much left off each year, the account settlement of the capitalists' loan would be easy enough. The

State-Department might also offer expert advice in the best interest of the private concerns, and even render them financial aid so far as possible, if such aid be for the well-being of the community.

Thus in the case of a private concern that can no more take further capital, and of which the private capitalists have been paid off from its profits, the State-department can very well carry on the same business allowing the same old hands to work the plant, for after all, it is the labour employed that does everything and not the capitalist body that has changed hands. And so, as long as efficient labourers can be got to make it a success it is all very well for that State-department, which will derive all the profits of that concern. Now, granting so far, the question arises, what will the State-department do with the profits of those State-owned-and-worked concerns?

Now remember that every industry supplies a certain want of the community; and also of the whole capital of the community only a certain fraction can flow to one industry according to the degree of its need to the community.

Now if more than a certain amount of capital is invested on one industry, it would cease to draw interest on it. So that if sufficient capital has already been invested in one line, the State-department of that line must have no business to invest more of State-capital in that line, and hence all the future profits derived from that line should be passed on by that State-department to the central government,

which can divide best as to which line has a deficiency of invested capital, of course always working in the best interest of the community. Thus also, at times when more capital would be required to be invested on agricultural department, the State could transfer the surplus from other lines. Imagine the picture well, and the consequent millenium it would bring in its train!

The next item in which we would proceed to apply our theory would be in respect of the landed interest. The land-lord gives his land on rent to a tenant. The land has got a certain market-value which can be assessed at any given time. The tenant-farmer employs his capital and labour on land, and pays the rent which is in every way like the interest paid on borrowed loan. Here the value of loan is the value of the land at first given to the tenant for cultivation. There must come a time when double the value of land has been realized to the land-lord in the form of rent, when his loan must be deemed paid-up. We have said before that the instruments of production belong to the labour, and not to the capitalist who furnishes the same to the labourer, which is only a kind of loan to be redeemed later on. To this the landlord may say that the tenant farmer does not remain the same for any time long enough to pay so much rent as would cover the due payment of the loan even according to our theory, but to this it would be simple answer, that whosoever the tenant may be that succeeds the former will continue to pay rent, and hence all the continued rents, combined

would, in due course of time, have paid back the landlord's loan—as to who should get the land after that is quite another matter. Let the last tenant holder get the ownership of the land, no matter, if your action in turning out the former tenant has been justifiable. But in cases where the tenant holder has not been in default payment of the amount of rent fixed in the beginning or again, according to a suitable law of the State, has obtained a right of permanent tenancy, there should be no reason why the tenant should not remain the same, or his legitimate heir until the ownership is devolved on to the latter.

Our aim is ultimately that only so much land should be held by one man, as can be cultivated by him and his joint family, without the aid of hired labour; and that all the human families should live as near to land as possible, by having at least some members of each family who take to the noblest profession of the cultivating farmer. We are not in favour of State production in the matter of land production, for the most natural and stable system would be in which the individual man lives on land, or as near to it as possible. Suppose one farmer through his single labour can till and reap so much land of an average quality as would produce corn enough to feed, say ten people throughout the year. Then we would wish each human family consisting of ten people to possess sufficient arable land for one man to cultivate and spare that one man at least for agricultural production.

We must do away with the present-day land lordism not as Mr. Henry George, while advocating State production would wish by turning the present land-lords into mere paid State-servants like land-agents and tax-collectors, but by making the tenant farmers get possession of the land they cultivate by their "sweat of the brow". Indeed, the tenants of to-day are the land-lords of tomorrow. The modern tendency has been, like all characteristic commercialism to narrow down the land-owning interest so that land should pass into fewer hands of the monopolist-class, and we must counter-act this by all means. Of course, we could have applied the same rule as to other industrial capitalistic concerns because the capitalist landlord would be in every way like any other industrial capitalist—using machinery-engines for economising labour and having hired labour to earn all the profits of produce for himself; and thus arguing like before, that all capital belongs to the State, except that its value may be assessed which may be deemed as loan advanced by the capitalist to be redeemed ultimately by the profits of land-produce—and then the land would pass on to the State agricultural departments for State production. We, however, differ from the idea of State production in the case of land. One, as we have said, for the reason of greater stability and individual freedom of choice and action in the matter concerning our prime necessities of existence. The State should not be burdened with unnecessary responsibility, for all responsibility gives one, after all, the power of abuse also, and the State may quite as likely run into

corruption of forming a class-monopoly which we have once rooted out. However, granting all ideal conditions, in which light we have been considering so far the case of land production is still different from other industrial production. Because, as we have shown in a previous chapter, the more the capital you invest on land, it would not bring a corresponding return firstly, by the law of Diminishing Return, secondly, the corn being a more perishable commodity than industrial production would have to sell cheaper with greater production and hence would not bring a return in money equal to the interest on increased capital invested, but would increase the value of the money and also result in general prosperity of the whole community. Another reason being, that while the limit of investment on land is easily obtained in respect of interest-producing capital—although much to the detriment of the community—the investment in other industrial lines can be practically limitless, if our economic foes, the well-to-do classes go on increasing the number of their wants and, as we have said before, the designs of manufactured articles go on varying and multiplying, any amount of capital can be wastefully thrown away on any thing excepting land, at the cost of the famishing millions of the capital-less major-circle. So that any private capitalistic investment on land must be thoroughly welcomed for all time, while the narrowing-down tendency of the landowning interest can be sufficiently counter-acted in other ways.

These ways are:—(i) By placing all the tenants of today on the road to the ownership of their cultivated

land and thus bringing as many family-units in-touchness with land as possible. (ii) By enacting into law, if the law does not already exist, that the State is authorised to purchase any amount of the land-produce whenever so necessary in the interest of the community, so that no conservation of corn might be possible for profiteering purposes. (iii) By controlling export, so that the community-wants might be thoroughly satisfied first. (iv) By fixing a minimum labour wage, as we have previously pointed out, so that no hired labour might receive a wage less than so much as would be equivalent to what he would have got through his single labour as a farmer by land cultivation. Such a step, as we have shown, will raise the standard of comfort of the labourer, who should not be thrown away from his natural and primitive occupation on the land, without being guaranteed equally remunerative employment elsewhere; as also it would make the capitalist employer think twice before making a costly experiment of employing labour in new directions and thus no longer exploiting cheap labour as hitherto in his own interest. Again, by enforcing this rule we should hope to bring back the age of millenium, when one man through his day's manual labour earned a sufficiency to support quite a large joint-family, while others enjoyed a peaceful leisure, of which the Socialists promise today that we would have by working for hardly about two hours each of us daily after the introduction of State production. But we prefer private production and the maintenance of private property in case of land, for the simple reason that

we should not come to depend on any collective organisation, however finely organised, because it must be always subject to fluctuations natural to human society, and it must be terrible to imagine what any fluctuations in such a big collective organisation may mean.

Thus, finally, land producers may continue in their hereditary right in property, if of course they are paying labour in cash according to the minimum wage plan. But instead of losing the ownership of the instrument of production after getting double the amount of capital, in favour of the labourers employed, they will go on cheapening prices of land produce thus getting a return of profit, from which they will either invest on land at least 35%, or so that they may never be paid out that double of the value of land capital in course of time, or pay that 35% to the government which will in its turn employ it on some other lands—at any rate if it is also paid up like other industrial organisations, its ownership passes from the hands of the land-owner to the State.

In the case of industrial production other than land, however, we have no doubt advocated State production; but be it noted, it is not so much for seeking the benefit of a collective movement, but in order to stop excessive private profiteering in the first instance, and secondly, when the concern finally passes over to purely State ownership, the State has still not much responsibility, compared to land-production for working the concern any further. For, if the old experienced working-staff of the con-

cern want to run on the business and can do it efficiently, as also, if the State thinks the concern to be in the best interest of the community, only then may it be allowed to run on; otherwise, there would not be much harm done in stopping it either. And while the responsibility of production would not be much of the State, except for exercising efficient State control, the benefit to the community would be immense. The profits coming to the various State-departments can always be manipulated by the central-government, and the country's capital can be made to flow wherever most needed, and how often indeed, to support the small private agricultural producers. Let us here also add, that by our theory, the whole change of conditions could be brought about slowly and gradually without needing to raise the whirl wind of a revolution except for a desirable revolution in ideas brought about by a right conception of our theories.

Before proceeding further we should give a word of distinction between two kinds of employment of labour also—one productive and the other consumptive. When the labour employed may be directly a source of production to the employer, the State should be able to exercise greater power and control over private action than otherwise in case of unproductive labour which depends, more or less, for its regulations on the social customs of the day. As another case, taking for example the case of employment of labour in coal-mines and oil-fields, phosphorus and like manufacture, the sewage workers and such other occupations telling upon the health of the

labourer, the State control must be as thorough and stringent as possible.

We may also note here in case of the rented houses and buildings that their rents must be understood of the same nature as the rental of land or the profits of a capitalistic industry, on the basis of our theory; and as such the rentals must go to pay up double the house and property-value to the capitalist-owner and no more. After which, the ownership of such buildings devolves to the State, or its proxy, the town and municipal corporations. This would thus also solve the growing difficulty of proper housing, of town-planning and the exorbitant rates of the house-owning monopolists in an expanding city. By all means, any private individual may continue to own his house, if used by himself, *i. e.* consumptively; and not "let" or used otherwise productionely, but there, a certain standard of sanitation and architecture may be required and no houses below that standard may be allowed in private ownership even consumptively.

Imagine what a collective movement it would be to build and lay out whole cities almost uniformly, and suited to the best of convenience and comfort of the entire city and town populations! The city-corporation would not only rent out all the houses most equitably and in the best interest of the community, but they would for all purposes act like a commercial body and so would be as well free to sell land and property back to any private individual

showing good cause for standing in need of its acquisition.

Thus to fight out and end with all monopolies!

Now, before closing up this subject it would be meet for us to draw up a list of our solutions presented in the course of this book of the present-day Labour Problem and to put them in the order in which they should be most advantageously applied on to our State or Body-politic. Before the full measure of "State-production can be applied to industries etc., the following safe-guards must be immediately applied to the Body-politic. They will also be preparatory to the introduction of the former.

- (1) To levy 50% income-tax on all industrial producers (i.e. excepting land producers) above a certain capital-value, whereas the land-producers must be taxed the very least. As all taxes will ultimately tell on the consuming public, while the brunt of the heavy land-taxation will tell on the rich and poor alike; the greater taxation on developed industries will tell more on the richer classes who can afford "luxuries".
- (2) To introduce a "minimum" wage and "maximum labour" scale, which must be enforced compulsorily in productive employment of labour.
- (3) Land-ownership must at once be disintegrated, as aforesaid, that "the tenant-

farmers of today must be put on the way of ownership of the land under their cultivation." The present-day most unnatural system of land-lordship must go root and branch and might be replaced for the time being by "landlords cultivating their own land by help of hired labour."

- (4) Housing problem to be solved by the collective movement on the part of the city and town corporations, as aforesaid.

After a fair trial of so much, the idea of State production may be adopted in full swing.

At last, we must give a warning note, that the world problems of life have become so very intricate and perplexing, with our daily-increasing population, our machinery-bondage giving rise to conditions far removed from nature, our expanding vision of intellect and so on, that failing to adopt the measure equal to the need of the majority of the fallen and the destitute of mankind, we would be courting disaster to the whole civilized society. Let us here mention our deeply-rooted conviction, that the materialist preaching of the eugenist, that "God sends meat, but not mouths" must be too ignoble to find favour with the civilized instincts of man, nay, on the contrary, our Merciful Providence sends meat first—and milk in the mother's breast—before any life is created on earth. But when He means to send food, and for its greater production gives man the genius to invent the machi-

nery-power to meet the increasing-influx of population on land, those divine implements of prosperity and progress are turned into engines of destruction, and thus it is the present-day materialistic society which is responsible for starving and killing human life on earth. Providence sends us the daily bread, but leaves us free to divide it between ourselves, in which act of division, if we are humane and equitable, we will reap a prosperous life here and an eternity hereafter; otherwise, by thinking the world's capital and supply of food to be limited while we must fight out in order to live much like the animals, our smallness of heart would be enough to curse and blight even the munificent bounty of Providence. We need therefore no longer entertain any fears arising from the fact of an increasing population, for verily every man brings his food with him, and so let us expunge out from our memories the words of Darwin, which are but the out-come of a limited observation.

Darwin did not know the laws of spiritual evolution of the human soul through births and rebirths on the physical plane, *i. e.* he believed in no Hindu idea of "transmigration or metempsychosis of the soul." It is true that the first embryo of human body is formed by a process common to animal life: as a result of the impregnation or fertilisation of the female ova by the male germ spermatazoa. According to the Hindu idea, based on their ancient lore of spiritual science—now also recently corroborated by modern occultists—the "disembodied" soul in its "astral

plane," awaiting reincarnation here according to certain laws of Karma, under which come all other laws such as of Attraction and Desire etc., comes to be embodied in its first embryo "body temple" in a certain advanced stage of pregnancy. Facts are challengeable in their preciseness, but nevertheless they point to the inevitable message that comes from the "other side" that we should not treat our distant human brother or sister with any less regard and sympathy than due to one who may have been quite likely our closest and dearest of relations or comrade in some past birth. Now, animal and lower life has no such astral existence as to continue as a distinct entity after "physical death," until the human soul is evolved from the higher animal life. The earth-sojourn is a ground for gaining experience or "fruit gathering" for the soul. Now there are certain spiritual laws governing human population into which we need not go, but there is no doubt, as antiquarian research would also testify, that human population too is no exception to the Law of Rise and Fall. There are periods of rise and decay alternating in course of each Manu, after which by some cataclysmic upheavals in nature the earth submerges under the ocean, only to come out again afresh for the beginning of a new human race. In the middle of each Manu, the influx of population is the greatest, as we have today.

Now the duration of time elapsing between one "death" and another "rebirth" depends very much on the value or nature of the "experience" gathered. "Good Karma" reaped earns an "eternity" or fairly

long rest, some times of millions of years; whereas “Bad Karma” leads to “purgatory” or back to another earthly experience very soon, sometimes almost immediately.

Hence, we deduce for our purposes the following results which are likely to meet with less opposition and more general consensus of opinion, than the hypotheses on which they have been shown to stand.

- (1) We, parents, are responsible for the creation of the human body, which provides a “temple” or tenement for the incarnating soul. As there is no dirt of incarnating souls so almost each “impregnation” brings a child in the world.
- (2) Our morals, civilization and education would be responsible more than any other factor to influence and mould the character of the incarnating soul, which would guide its future destiny with regard to an early or late “rebirth” or return for earth-experience, and hence this fact would greatly influence the pressure of population due to incarnating souls at any future time.

Regarding the first deduction, we would have to say that weak or in any way unfit parents must under no conditions bear children; and if such children of abnormal growth are born they must not be allowed to survive. It may come to most of us as a barbaric preaching although it was once too prevalent a custom in the Greek and older civilisations—yet we would

not be unduly unreasonable in lending our acceptance of a certain school of opinion. The reason to our mind is this. From the same ancient sources we know that "the child is in the process of birth or unfoldment" until reaching maturity by which time its mental cells are sufficiently developed to allow a full manifestation of the late latent faculties of the last birth, or in other words, "the ground slowly becomes ready for the germination of the past Karma", so that he may build on his past experiences. Now, if in any case of extreme abnormality in mind or body it becomes evidently clear that that would for ever frustrate the normal expression or expansion of the soul, why should not that body be then destroyed, while still in a quasi-state of sleep or mental torpor? However, there is no doubt that such a thing can be permissible only under the best of sanction of advanced spiritual teachers.

In the second case we would note still more forcibly, that it will be better far in the long run that few good and virtuous persons should survive in the world rather than hosts of evil-disposed persons." Devoid of virtue or Dharma, they would deserve no better fate than "die like flies" through mutual discord and putrefaction, much as they do now at times. Then again it is nobler to die in the cause of rectitude than live to cooperate with evil, surely death is at times nobler than life. We have the greatest respect for the body-temple but that same respect often demands for its maintenance that "death should be preferred to a life of degradation and derogation."

“ Consider each man himself the Divine Child of God, whose mission is greater and whose life lived must be one great song sung in perfect harmony of the inner elements of his nature with its outward expression.” Perfect sincerity in ‘ thought, word and deed ’ must be the keynote of our life and if at any point the tension of destructive forces rises to breaking-point, we must not acquiesce nor compromise in the evil, but be greater and nobler in “death” rather than add to evil by setting a bad example of “sinful life.” Hence we believe in the philosophy of the “Suttee” and “the suicide”—whenever it becomes the occasion for “burning away sin” or leading to self-purification or a point of honour. “Suttee” to our interpretation is an “expiation of sin” or a riddance from future pollution.

A Hindu woman, as implicitly believing in the almighty and inexorable working of Karmic laws on the web of life, knows full well that if she has made a noble choice in her husband, and has treated him as her jewel and object of adoration, she would never be defeated in her pious wish “to breathe last in her lover’s sacred embrace and never to suffer the pangs of widowhood.” Marriage union to some women is a dedication of their “all” on the altar of love, and which desecration becomes an overwhelming passion with them. In such a case, if any unnatural influence should defeat their highest wish of life, they would naturally seek to hide their “disappointment and shame” in the burning pyre of the “Suttee.” Such is the seriousness and importance attached to every karmic effect on life, that we come across whole

periods in ancient India of 'not only no crime, and untoward events happening in the whole society' but, for instance, "take the recorded case of the days of Rama, when an old man whose son happens to die prematurely in youth, flies in rage to Rama, the king of the realm and vowing vengeance on him, heaps curses on the king in whose reign such an unnatural event should happen." For it is true, that no man is born in nature to live for less than hundred years, at least, unless we abuse our body-temple or the external world be too unkind on it.

The Hindu Shashtra does never make the "Suttee" obligatory on any widow, on the contrary, it tolerates even polygamy, and takes note of eight different kinds of marriage. Indeed, the value of a religion is marked by its elasticity and not like "cut and dried" fashions and conventions of society of the modern West. It is a knowledge of the basic principles, remember, that matters, and in an appreciation of that knowledge alone all sections of humanity would be drawn together, irrespective of their particular inclinations to certain "fashions and customs." "Nothing is sin nor virtue by itself" is fundamentally true. But, certainly, with our knowledge we can arrange all things or grade them up in a certain order of their utility to the ultimate aim or purpose of life, and hence we can always differentiate the better from the worse. For instance we may formulate a general law;—"All righteous men ought to engage in such pursuit as would help them toward spiritual development; and must keep away from such as would attract them down on to the material

or physical plane.”

But, nevertheless, individuals must be able to judge the best action for themselves under a certain set of circumstances and they must command perfect liberty of action with regard to their own progress. The Hindu religion offers a most solace-giving institution to the bereaved widow or any heart-aches, *i. e.* free admittance in the holy order of the Universal Brotherhood and Sisterhood of a monk or nun's life—for the sex distinctions vanish in the spiritual realms. Still, while tolerating even polygamy, the virtues of monogamy, or for the matter of that, of chastity in womanhood are so much emphasised that even the ardent desire of a widow to burn “Suttee” with her husband is respected and not declined. We must certainly fight for all individual freedom and hence the right of suicide or the “Harakiri” practice of the Jap too. Again we must take to heart the Eugenic preachings by all means and add to the number of our race most conscientiously and open-eyedly. The Hindu Shastra also does not permit any parents to bear more than seven children; while it enjoins strict celibacy in case of men upto twenty-five years of age at the least and retirement from worldly life after the middle age; *i. e.*, 50 years' age.

Again contrast these Eugenic measures prescribed in the Hindu Shāstras with the sacredness which the Hindus attach to the creation of human life. Giving birth to a son, “Putra” (meaning one that is a saviour from “Putā” or “Hell”) is held to be one

of the most paramount duties of a good woman's life, indeed, as much as it is a bounden duty of all women to get married. Herein, the contrast is very great—indeed the two injunctions are as divergent as the two poles—and yet not without its moral and a special message of its own for humanity.

That message is, that while holding it a sacred duty, nay more, an act of righteous service in the Fulfillment of the Divine Scheme of Creation of life and a “return of debt.” of those parents who created us by originating life in our turn, because we must realize the truth of the well-known proverb of Napoleonic days that “We are our own grand-fathers”, we must still not forget to be “men” whose duty must also be to counteract the animal nature in ourselves : the desire of the flesh to propagate its kind. The Hindu moral law is unequivocal that no sexual intercourse is justifiable under any conditions except with the definite and avowed purpose of originating life and then making it strictly obligatory on the parents to bring up the child under the highest training of Dharma until past the age of “full awakening”, *i.e.*, the age of maturity—sixteen years of age, generally. All passions relating to the sex, not to say of the “flippant coquetry” of the Western woman, is sinful, whereas the sin does not become any the less in the case of a rightful man and wife cohabiting within three years at the least, according to the Shastras, of the last child-birth. Remember, the whole character of the parents is inherited in the embryo-child and any loose morals on their part

are reflected in the child's character. In ancient India, there was used to be performed a ritual of purification, if by any means the austere vow of continence of a student was ever broken even in an unconscious state of sleep, and there was no lie or false prudery about it.

We have found the necessity of adding the above as a protest against the present standard of "Civilized Morality", and more so, in defence of monogamy against the curse of the "Public woman", which latter has been made the subject of praise, "as being in advance of the Free Age" (yes! Free for license) in a whole lot of communistic literature. The present writer certainly feels a thousand pity, that while the Communists are generally more in the right regarding their attacks on "a propertied civilisation" and the "Darwinian materialism of the Survival of the Fittest", they are in this respect even more sadly mistaken in predicting an era of "more licence" in support of greater individual Freedom. Call the present writer a "puritanical evangelist of morals" or whatever other name, but no moral code can baulk the use of "artificial preventive checks" daily-increasing in modern communistic societies to fight out the influx of population, or would baulk the current of "civilisation" (moral process!) which is represented in the graphic words of Mrs. Argot Asquith's Memoirs, as thus :

"Since the war our depravity has become blacker. The extravagant are more extravagant, the cranks are crankier, the backbiters more spiteful, the rich

more frightened, the poor more restless, the clergy more confused, and the government more corrupt. The clever novels of today are fatiguingly indecent, and there is more nakedness, levity, blasphemy, and materialism than I have ever seen before."

However, before leaving this subject let us emphasise once more that, not caring for laws of population, it is in the "equitable division of comforts" that mankind must show improvement, and then united within the ranks we must cooperate to fight out the Law of Diminishing Return. Thus says Mr. Norman Angell :

" Struggle is the law of survival with man, as elsewhere, but it is the struggle of man with the universe, not man with man. "Dog does not eat dog". Even tigers do not live on one another ; they live on their prey. Man's struggle is the struggle of the organism, which is human society, in its adaptation to its environments, the world—not the struggle between different parts of the same organism.

" The error here indicated arises, indeed, from mistaking the working of different parts of the same organism for the conflict of individual organisms. Britain today supports forty millions in greater comfort than it supported twenty a little over half a century ago. This has been accomplished not by the various groups—Scots, English, Welsh, Irish—preying upon one another, but by exactly the reverse process : closer cooperation between themselves and with populations outside.

“ That mankind as a whole represents the organism and the planet the environment, to which he is more and more adopting himself, is the only conclusion that consorts with the facts. If struggle between man is the true reading, these facts are absolutely inexplicable, for he is drifting away from conflict, from the use of physical force, and towards cooperation. This much is unchallengeable, as the facts which follow will show.

“ But in that case, if struggle for extermination of rivals between men is the law of life, mankind is setting at naught the natural law, and must be on its way to extinction.”

“ Happily the natural law in this matter has been misread. The individual in his sociological aspect is not the complete organism. He who attempts to live without association with his fellows dies. Nor is the nation the complete organism. If Britain attempted to live without cooperation with other nations, half the population would starve. The completer the cooperation the greater the vitality; the more imperfect the cooperation the less the vitality. Now, a body, the various parts of which are so interdependent that without coordination vitality is reduced or death ensures, must be regarded, in so far as the functions in question are concerned, not as a collection of rival organisms, but as one. This is in accord with what we know of the character of living organisms in this conflict with environment. The higher the organism, the greater the elaboration and inter-dependence of its part, the greater the need for coordination.

“Coöperation does not exclude competition. If a rival beats me in business, it is because he furnishes more efficient cooperation than I do ; if a thief steals from me, he is not cooperating at all, and if he steals much will prevent my cooperation. The organism (society) has every interest in encouraging the competitor and suppressing the parasite.

“If we take this as the reading of the biological law, the whole thing becomes plain ; man’s irresistible drift away from conflict and towards cooperation is but the completer adaptation of the organism (man) to its environment (the planet, wild nature), resulting in a more intense vitality.

The foregoing is the law stated biologically.....”

Now before closing, let us fulfil our promise of giving our simple interpretation of the Vedic ideal division of society into four parts. The division is, we must join in saying with the advocates of the system no doubt the most natural and scientific analysis of society and in fact, the only one possible. The original Vedic hymn stands literally to mean as follows : “The Brahmans come from the head, the Kshatriyas from the arms, the Vaishyas from the bosom and the Shudras the feet of the Brahma, the “One-Body”——the Social Organism.”

It should clearly mean as we go from the head to the feet an arrangement of the four classes in the order of precedence. As the mind guides, orders and controls the whole organism, what can it be except-

ing the Parliament or the Supreme legislative body of the State? Its members are the Brahmans in the realm. Again, naturally there can be no society without a government, which represents all the power and authority for enforcing law and order, as dictated by the Supreme Legislature, Brahmanas, so all the government servants from the Chief Justice who interprets the law, and the highest executive ministers down to the lowest paid constable are all of the Kashatrya class. Then again, the producing and the trading section which feeds the whole community and distributes all the commodities throughout the One-body, is evidently the Vaishya class. The last "Shudra" class consists of the labourers who serve others, excepting the State, and are therefore dependent on their employers for direction and instructions with regard to the conduct of their work. They are placed at the other pole from the mind, as having to do the least of original thinking, as instead of guiding others are themselves guided by the policy of their employers.

Mark the words "The Brahmans come from the mind", *i. e.*, they are derived or elected from the thinking mind of the whole-body-politic. It does not mean that one who thinks more, or excels in his thinking faculties is a Brahmana. There can be no comparison of more or less—where is the unit? You talk of predominance of one's thinking power over physical, but that too is absurd, for a man can excel in both at the same time. It must be clear that Brahmana means nothing else than a member of the highest legislature, although, of course, there is no

doubt that such a member must be derived from the thinking-section, such as the educationists, the philosophers, the litterateurs, and even scientists—providing always that they can interpret the One-Dharma and lead an unblemished private life in accordance with it. We admit, that true Brahmans are those who must have sacrificed their all in the service of the community, and it goes without saying that when their quality deteriorates by reason of personal considerations, or when the Brahmans are elected from the capitalist-class on the strength of their personal property, monopolistic rights and vested interest, woe befall the whole organism !

Again, we may take another view-point : As in the One-Body, we know every little cell-life is a living, thinking, working unit and in this way confining in itself all the functions of all the four classes, for, indeed it is a miniature of the One-Body itself, we may similarly catechise in an individual, the Brahmanaic elements—of study and sacrifice ; the Kshatrya element—the love of the practical, of active life and struggle to realize the theory in practice ; the Vaishya element—the instinct for self-preservation of saving and hoarding capital ; “Shudra” element—the self-complacent nature of giving a placid acquiescence to the external conditions as they are—to take things for granted and blindly following others’ judgment.

It is only when we talk that such and such a person has the Brahmanaic element predominant within him, or the Kshatrya, or the Vaishya, or the Shudra ; or that such and such an action on one’s part partook

of the nature of such an one nature more than any other out of the four natures, we convey a meaning; otherwise there is no meaning in any hard and fast lines of distinctions made between any classes or for the matter of that, individuals of the one-community.

Let us here end with the remark that the present evil of the persecuted labour under the capitalistic yoke, is due to the want of proper control and regulation of the Brahmana-class—the Supreme Legislature—through the exercise of controlling-power of the State, over the Vaishya class, the third in order, which has indeed run riot through excessive abuses of commercial power and poisoned the whole social-organism—the One-Body.

As a last word, on the application of Socialistic principles on the present-day body-politic, we would have to say one thing more. As, indeed, the law of Supply and Demand would have to be applied rigorously and mercilessly in trade and production, although to be definitely counteracted in the matter of wages of productively-employed labour by the minimum wage-plan—it must at any rate be not allowed to touch classes above the “Vaishya” or trading and producing classes.” The true civilisation and refinement of man consists in forgetting the hard facts of biological laws and it must be the increasing effort of man to lead uniform lives and share equal comforts on the physical plane as far as possible. Hence above the Vaishya-class, *i. e.*, in the Kshatrya, the government and in the Brahmana, the Highest Legislature, — all members should conform to the

rule of the "minimum wage". And there is a good reason—not as-is-always-found-for-every-thing, dust-cheap—in that as education advances we would have any number of people specialising equally well for any degree of knowledge and so eminently fit equally to adorn any the highest offices of the State—hence the supply of fully-qualified men would always exceed their demand so long as there are two posts of unequal value in the State service, and as it must be our chief objective to fight out all monopolies, the only solution to be arrived at would be to make all State posts of equal value. From the lowest peon upto the highest minister of the State all should carry equal emoluments—the same as the labourer's minimum wage, and herein we have an application of the "Honour Theory" which can of course be made a practicably feasible idea. Those who may be after wealth and riches may take themselves to the ranks of the "Vaishya" and must either produce or trade, conditioning to their conformity with the laws binding them—and if they should want to enjoy high-salaried posts from the fact of their specialized knowledge let them go to the "Shudra" class, *i.e.*, enter into the service of the "Vaishya", "Capitalist class" when knowledge can be sold in accordance with the law of Supply and Demand, —of course, this to happen above the "minimum wage." But in respect of all those getting their salaries from the State, no more than the minimum wage must be given—thus even in the case of State-production, *i.e.*, after the ownership of any industrial concern has devolved on to the State, all the labourers of that concern too must come to be

paid no more than the minimum wage.

The question arises, how are the larger wants of the higher officers to be met with by the minimum wage? And it is true; but is it not also true that the greater wants belong to the office and not to the officer? By all means, if an officer's time is deemed so valuable, that he must afford the use of a motor car, that car must be provided by the State and for State purposes only. Similarly, for his furnished residential quarters, even his stationery and other requisite equipments. But surely, otherwise, in the selection for a post between two persons of equal qualifications preference must always be given to the poorer of the two, who may have habitually lived on the minimum wage regarding his private expenses. And suppose if the high officers of the State may also claim some privileges for their descendants, regard must be paid to the great advantage which they already possess, that as being in closest touch with the working machine of the State, their children would naturally have a better acquaintance into the requisite preparations to be made for obtaining a certain qualification than any outsider to the State and so the chances of self-advancement are already greater in their favour. Moreover, in the case of high offices, we may make them pensionable after even very small lease of service of the State for the rest of the life of the officer and on the same or half "minimum wage" according to their last status—thus those who have been for once the Brahmans or the members of the Highest Legislature must continue to receive the

“minimum wage” for the rest of their life and may be called upon to advise on any matter, whenever so necessary from their well-deserved retirement.

Be it remembered that we believe in higher and higher differentiation in thought but it must be marked by perfect disinterestedness as regards comforts of the physical body. There should be no material gain whatever, nothing above minimum wage : even any income derived from any book or invention must be devoted to the State. Now, would that lead to higher thought and greater expansion of the world-knowledge ? Or, would you still accredit the false notion that it is the pinch of hunger or the incentive of greater gain that would make a man advance knowledge ? Of course, learned societies would be supported from the State-coffers ; the most learned men employed in further research would be as far as possible thoroughly equipped with their necessities of research by grants-in-aid from the State but out of the grants not a single shell would be used up by any “learned people” for their private purposes —to secure any additional physical comforts. And suppose that in a particular time of shortage of food-stuffs in the world, the minimum wage might become too inadequate even to provide the body with the necessary food ; who must be the first to suffer in that famine ? Surely, the minimum wage-earners who are most distant from the instruments of production and yet being at the head of the Body-politic must be held responsible for not having successfully averted such a calamity. Remember, the truly strong and worthy of honour are those who sacrifice themselves

most for the sake of the weakest of the race. It must always be the rule that in the matters touching our material body the finer natures must yield and sacrifice in favour of the more material and less-evolved natures—and, above all, “Nobility requires no law”. It is inherent in the true man—and, we want only such men to guide our ship of State—it is the Supreme Law and the Sovereign Test ! Do not believe, ye gentle readers ! that, if even the best guiding lights and men of genius of your race die away in such trying moments, there will be a dearth of equal quality on earth. Nay ! thousand times, nay ! the seed is never lost on such holy land—fear not ; and advance on the right path of true glory and goodness ! Under such a regime knowledge will never hence-forward be polluted for the greatest will guard the frontier on the margin of livelihood and there will be the true Light of the Spirit dawning on the humanity. Then will the State and University honours be really esteemed ; the luxuries and the outward show will be disregarded except by the trading and producing classes ; and rarities will be collected for museums only.

It is at this point that our eyes are opened to a true appreciation of the structure of the ancient Indian polity—for now we would see the origin of the Brahmanas as a class. They were at first the best people—well read and versed in the Vedas and Dharma—and their number was not limited by election as now, but by reason of the monopoly of knowledge of letters into but few hands owing to the absence of the printing press, and general discouragement of “worldly

knowledge without proper spiritual development " naturally due to the age-long "Gurudom monopolies", knowledge passed from father to son and they formed a "reserved class", from which alone the legislators and advisors of the king were afterwards recruited and the "Brahmana blood " in course of time began to carry greater importance than "Brahmanaic wisdom ". All the rest must be a tale of degradation quite natural to the case when all knowledge of the original guiding principles was allowed to die out !

Add to this the ancient system of free State-education whereby a boy of eight has to join a residential academy "the gurukula" upto his twenty-fifth year—and certainly no teacher must under any circumstances draw more than the " minimum wage ". And what applies to the male sex may in our present age be equally made to apply to the other sex—for we must be for all liberty "as for us, so to others"—and not to be enchained to the fetich of a "prestige" or "precedent" that "Aryan civilisation is pre-eminently a male civilisation."

Thus at last, the criterion of the efficiency of the State must be the relation of the "minimum wage" to the comforts of life ; and then according to the following vision of Edward Carpenter the true Man or true Humanity will come out triumphant above all considerations of so-called "materialism" :—

"And just as thus the various external forms of government during the civilisation period find their justification and interpretation in the ensuing period, so will it be with the mechanical and other products

of the present time ; they will be taken up, and find their proper place and use in the time to come. They will not be refused ; but they will have to be brought into subjection. Our locomotives, machinery, telegraphic and postal system ; our houses, furniture, clothes, books, or fearful and wonderful cookery, strong drinks, teas, tobaccos, our medical and surgical appliances ; high faluting sciences and philosophies, and all other engines hitherto of human bewilderment have simply to be reduced to abject subjection to the real man. All these appliances, and a thousand others such as we hardly dream of will come in to perfect his power and increase his freedom ; but they will not be the objects of a mere fetish-worship as now. Man will use them, instead of their using him. His real life will be in a region far beyond them. But in thus for a moment denying and “mastering” the products of civilisation will be for the first time discover their true value and reap from them an enjoyment unknown before.”

V CHAPTER.

A picture of the Commercial Government League of Nations and of one currency in the words.

The subject may be foreign to practical politics as so far made practical, but it is always the embryo mind from within that fights for expression and sprouts and crystallises out into the future free. Moreover, we never can pretend not to have broken through the old shackles of conventionalities in order to effect a solution of one of the most pressing of problems of our age and so not hesitate to touch upon another novel subject in this chapter—however removed from practical politics, yet admittedly not the less important for bringing humanity round a common centre of effort and organisation. We take the liberty of introducing the subject by extracts from that thought-propelling book, “The Great Illusion” by Mr. Norman Angell:—

“Never at any stage of the world’s development has there existed as exists today the machinery for embodying these interests and class-ideas and ideals which cut across frontiers. It is not generally understood how many of our activities have become international. Two great forces have become internationalized: Capital on the one hand, Labour and Socialism on the other.”

.....“In no department of human activity is internationalization so complete as in finance. The capitalist has no country, and he knows, if he be of the

modern type, that arms and conquests and jugglery in the frontiers serve no ends of his, and may very well defeat them." Again, quoted in the same book from Mr. T. Baty, the well known authority on international law:—

"All over the world society is organizing itself by strata. The English merchant goes on business to Warsaw, Hamburg, or Leghorn; he finds in the merchants of Italy, Germany, and Russia the ideas, the standard of living, the sympathies, and the aversions which are familiar to him at home. Printing and the locomotive has enormously reduced the importance of locality. It is the mental atmosphere of its fellows, and not of its neighbourhood, which the child of the younger generation is beginning to breathe. Whether he reads the *Revue des Deux Mondes* or *Tit-Bits*, the modern citizen is becoming at once cosmopolitan and class-centred. Let the process work for a few more years; we shall see the common interests of cosmopolitan classes revealing themselves as far more potent factors than the shadowy common interests of the subjects of States. The Argentine merchant and the British capitalist alike regard the trade-union as a possible enemy—whether British or Argentine matters to them less than nothing. The Hamburg docker and his brother of London do not put national interests before the primary claims of caste. International class feeling is a reality, and not even a nebulous reality; the nebula has developed centres of condensation. Only the other day Sir W. Runciman, who is certainly not a conservative, presided over a meeting at which there were laid the

foundations of an International Shipping Union, which is intended to unite shipowners of whatever country in a common organization. When it is once recognized that the real interests of modern people are not national, but social, the results may be surprising."

If the case put by Mr. Norman Angell about the economic interdependence among modern nationalities is well-established, for which reason war becomes almost as bad for the conquerer as for the conquered nation, if again as corroborated by Mr. T. Baty, "The real interests of modern people are not national but social"—or say socio-economic; might we not conclude that it would be a step forward to make that economic interdependence still more complete under a common commercial Government of the League of Nations. From the very beginning of the machinery-era economic interests bound up in an increasing degree all other interests, until finally an economic unification of all the nationalities round a common centre would beat hollow all possible combinations of military power, for money is a great sinews of war. Any amount of limitations of armaments, or the establishment of the League of Nations arbitration Courts, would not avail to ensure against rash combinations of Power wherever clashing interests—political or economic—are involved and due to ambitious diplomats. Let the League of Nations issue its one currency the world over and let the control of production be vested into it, so that instead of the State control of industries we think in terms of the League of Nations. Let all the profits accruing from the industrial organisations

on the basis of our theory go to the League of Nations, which will of course be after the maximum point of investment is reached in any line and the ownership of the multiplying-organisation has passed entirely from the private capitalists to the State—then, the League of Nations would be best able to regulate and manipulate all surplus profits so as to be employed in the most-needed industry—say, for the agricultural development. As we have seen in such a process there is no likelihood of any unusual tampering with individual choice and preference for any kind of industry, either before or after the complete ownership of the State or League of Nations, except say in the rarest of cases when “exceptions prove the rule,” we may fairly expect that even if any changes be proposed to be made by the State, they will be always for the betterment of the labour employed, as well as in the best interest of the whole humanity.

To discuss next some of the possibilities of one-currency, let us enunciate a few first principles. We know that the value of an article is due to its rarity or the application on it of human industry. The westerly air in London city has its value; as also the fisherman at the end of the day exchanges his fish with the game brought by the hunter's whole day's labour. In case of international exchange too we barter commodities, with regard to either the human labour expended on them or their rarity as natural products. It is first the labour that is a standard for comparison. But in practice a comparison of the currency-value may be made by comparing the mar-

ket rate of the most essential product in nature—the agricultural produce forming our staple food.

The exchange rate between two countries is an index of the “balance of trade,” and it may give clue at any particular time as to how much a country has come to depend upon another, shows the amount of contact, is greatly influenced by the value which the people attach to hoarding of precious metals as in the East when the value of bullion is always a little more due to the inordinate desire for hoarding it or from its use for ornamental purposes, than would be otherwise as showing a relation to labour and currency; would give advantage to a country with large quantities of bullion or may be disadvantageous to any other at any particular time or season—hence the exchange rate is no measure for comparison of currency values of two countries.

The following quotations from Rt. Hon. Viscount Goschen’s “Theory of the Foreign Exchanges” will bear conclusive testimony to the above:—

“The principles which have been examined would exist, and be in constant operation, even if a universal currency had been adopted, and the perplexing calculations between franc and florins, and dollars and roubles were no longer necessary.”.....
“Though one system of coinage were adopted for all countries, claims on foreign countries would nevertheless vary in price, and would still be either at a premium or at a discount, according as there happened to be at any moment a greater or less demand on the part of such as desired to transmit funds

abroad as compared with the supply offered by such as had outstandings abroad which they were entitled to draw in. For this is the first cause of what is generally spoken of as the rise and fall of Foreign Exchanges.".....

....."It is a clear deduction from these considerations, that the limits within which the exchanges may vary (provided the bills are drawn at sight and in the same currency), are, at the one extreme, the par value, plus the cost of the transmission of bullion; at the other extreme, the par value, minus the identical sum."

Thus, leaving the question of Foreign Exchanges as not affecting our problem, let us next examine the basic principles underlying the English mono-metallic system of currency. That Professor Jevons's attribute of money about the intrinsic value of the material of which it is made has not been borne to be at all a necessary condition of circulating money, will be clear from the following quotations taken from Mr. Earnest Sykes's valuable handbook, "Banking and Currency":-

pp. 6....."A Bank of England note is made of paper, the value of which as paper can be disregarded. Of course, the value of the note is due to the fact that it can be changed at will for a certain fixed number of sovereigns; but in certain circumstances, which we shall examine in a later chapter, the power of demanding gold for a note may be, and frequently has been, suspended, and yet the value of the note has remained practically unchanged. Given certain conditions, an inconvertible paper currency may retain

its value with regard to other commodities for an indefinite period, and for this reason, Jevons's dictum that value of material is an essential attribute of money, must be regarded as inconclusive."

pp. 46....."But nowadays the paper circulation is not only a substitute for the coinage, designed merely to save the cost of wear and tear and to ensure a more portable medium of exchange—it is an addition to the currency. Gold so deposited is gold lying idle. As we shall see, some gold must be kept idle in the shape of a reserve; but to withdraw from circulation an amount of gold equal to the total note issue and to lock it up so that it cannot be touched, except by withdrawing those notes from circulation, is too wasteful for modern methods. The method which is usually adopted is some modification of the partial deposit system, which consists in allowing the banks concerned to issue only a limited amount of notes without the deposit of gold. This is the English system as governed by the Bank Charter Act of 1840....."

pp. 57....."The Currency Theorists were thoroughly justified in urging that in issuing notes which were payable in gold on demand, bankers should keep a careful eye upon the stock of gold in the country which was available for this purpose. But they did not realize that a paper currency is an *addition* to the metallic currency, and not merely a substitute for it; that elasticity is a necessity under existing commercial conditions, and that notes may be required to fill the gap caused by the temporary deficiency of gold. If their theory were put into practice, and the amount of notes strictly limited to the amount of gold

deposited to secure them, this elasticity of the paper currency, excluding for the moment the action of other forms of paper currency, would be destroyed."

From the above quotations it would appear that "An atmosphere of vague speculation" seems to have been created in the modern Banking System regarding the issue of paper-money to keep the total circulating money within certain limits of "elasticity." And why? The reason is given, in order that money may satisfy the important function as standard of value for deferred payments. It is said, that "If a man borrows a thousand pounds to be repaid at the end of twenty years, it will be a serious matter for him if the value of the pound, as regards commodities generally, has risen at the end of the twenty years to three times its original proportions, for in effect he will have to repay three times the amount he borrowed. Money, therefore, since it has to fulfil the function of a standard of value, should be so far as possible stable in value, that is, its value with regard to other articles generally should change as little as possible." [Quoted pp. 5 Sykes's Banking and Currency.]

Now we question why a general all-round cheapening of prices due to increased production resulting from "Greater skill in invention and use of labour-saving appliances" should be thought an "economic evil" from the point of view of money being a standard of value for deferred payment? Greater production is a gain to the whole community, in which all should participate either by increased incomes in money, which must be correspondingly increased in quantity,

or by an increase of the value of money. Now by the first means, the division of profit being such as it is in our "civilised world," any increase in circulation concentrates into the hands of the privileged few of the minor circle; for, if not for increasing wages, why should there have been any tradesunion demonstrations even in rich countries of increasing prosperity, like United States of America? By second means, no doubt, the rich and the poor alike are equally benefited. But still, for purposes of their own privileged class the necessity of a fixed standard of value is so much emphasised in the borrower's interest and any likely anticipation of change in it is so much dreaded of by our dispensers of fate in the upper financial circles, as would drive them to any length of adopting any the most drastic measures in order to avert the "impending calamity to the money-market:" a high rate of interest consequent on a depletion or shortage of metallic currency and in the last resort the suspension of the Bank Charter Act; thus making the issue of paper-money unlimited. Still the prices of commodities could never remain stationary for long, as naturally the production of commodities must always fluctuate and of some commodities in opposing direction to some others—so that if the amount of circulating money should also be made to change from time to time, it would be a case of a piston rod moving in its socket while both are being forced up and down.

We are, however, not going to advocate the case for an inelastic fixed currency, such as of a paper-circulation could be made to be—for in case of a fixed metallic currency it would always depend on the out-

put of the metal; or in case of a particular country on the influx and efflux of bullion into and from that country. But we have neither so much reason to be afraid of in the poor borrower's interest, for on our loan theory he has already been greatly protected; and as for any short-term speculative loans so characteristic of the present-day money-market, we would first of all most unequivocally condemn them and things like "inflation of credit for speculative purposes," and then we might say that "prices cannot cheapen like three times in a day but take twenty years."

Let us, however, begin from the source of all metallic currencies—the mines. It must be generally admitted that mines must be worked and owned by the central authority of the common organisation, such as the League of Nations. It must be also true of all other natural resources—such as, the forests, the mineral mines or pearl-fisheries, which must be subject to State-production, or even if contract be given to private individuals it must be invariably stipulated that any profits accruing above double the original money invested or on risk of the contractors must go to the State. By such a means there would be no abuse of monopoly. For instance, the Burmah Asiatic Petroleum Oil Coy. have been declaring a dividend of 50 %, whereas the cost of oil to the consumer has at least doubled from before. This monopoly acts in the same way as of machinery, such as in the present day of scarcity and high prices of cloth in India the Indian cotton mills of Ahmedabad, Sholapur and Bombay are declaring no less than 200 % dividends

and yet no help to the community in an age of Free competition.

Now suppose the gold deposits discovered at any place are found to be inexhaustible, and the cost of extraction be also very small, the price of gold would then fall as low as the cost of extraction. And since the Mint price of gold in the English currency has been fixed at £3. 17s. 10½d. per ounce, gold could not sell cheaper than that in the market; which means that all the gold obtained cheaper than that would have to be coined, or bought by the State until its market price rose above the Mint price, consequently the falling value of the sterling in relation, to other commodities would be a great source of inconvenience, unless it were resolved upon by international concurrence of opinion not to work out the gold mines except for so much as required for repairing old currency or to meet any demand of the public at a price just a little above the Mint price. Now this most advantageous check on the production of gold could be easily obtained in case of one-commercial-government of the League of Nations, and we would be no longer subject to the wayward shocks by any chance discoveries of the metal.

In case of the French bi-metallic currency the over-rated metal will drive out the under-rated metal according to the Gresham's Law, and the work of coining of the two metals alternately with every fluctuation in the ratio of their market-values in the Free Minting System as it was called, was a wastefully cumbersome task. It may have, no doubt, a

somewhat steadying effect on the general prices ; and may be also of a little help to the borrower through the operation of the Gresham's Law. But how should its great defect of having to coin again and again the two metals in different proportions be remedied ? Let us see if it may be corrected by international action.

Suppose the gold to be over-rated due to its greater production or cheaper out-put, while silver is at its normal, and so gold may tend to displace or drive out silver coin. Now this change may be controlled by not extracting the cheaper gold for the time being. Again suppose due to its scarcity, or say, due to an excessive desire for hoarding or other use it is under-rated, or which is the same thing, silver is over-rated, the latter will tend to displace the former. Now the only way open to us in such a case, to keep the fixed inalterable ratio between silver and gold, would be to restrict and reduce the out-put of silver in the same proportion artificially as it had become of gold naturally. This would mean a reduction of the circulating currency, hence a general rise in prices, which should be a most uninviting consequence ; unless we suffer our currency to fall back upon one metal only : the over-rated one to displace the under-rated. Here, of course, we must allow in all fairness, that the excess of production of either metal may be at any time sudden and may always be stopped or controlled ; but the decrease or shortage is slowly but surely felt and might render us helpless even through international

action. That France in her bi-metallic experiment suffered from the first evil of suddenly increased out-put of one of the metals is unquestionable. But if there is a very slight and slow natural decrease—or even due to a desire for hoarding or other use—of either of the metals, a higher price is set on it in terms of the other; then, the metal in greater demand will disappear from circulation, until the market is “saturated” or its excessive demand fully met at the least price, the minimum being, of course, the fixed legal ratio. When, however, this fixed legal ratio cannot be obtained even through a change of the whole of the appreciated or under-rated currency into the depreciated or over-rated currency, we have either of the two following cases:—

One, in which gold is altogether driven out by silver. The inconvenience in this is through the loss of the higher gold coins for circulation purposes. In the second case, *i.e.*, when gold displaces silver, since for the perfect divisibility of money, silver must become indispensable although higher value is set on it, it becomes much too difficult for conducting daily transactions, and particularly, the brunt of the evil would fall on the majority of the common people—the major circle. It will be on account of this latter consequence, at any rate, that the legal ratio would have to be adapted to the market ratio in the interest of the people at large. Hence, we would see that the defect of bi-metallism is unremediable.

Again suppose we adopt a mono-metallic gold currency, such that the coins of lower denomination,

for small change and securing divisibility be made of very much cheaper metals, such as say nickel instead of silver and copper or bronze etc. The lower coinage would be of an insignificant cost regarding its material as compared to its coin-value. These coins can assuredly not be made and unmade at the public demand like the gold and silver ones which had an intrinsic value of their own in the Free Minting bi-metallic system. They will be a source of profit to the State and in a rigidly convertible gold currency bullion equivalent to the value of that profit, *i.e.*, the difference between the cost of minting etc. and their valuation as coin, must be kept in deposit. Hence, if at any time, the gold should become scarcer and and scarcer; the value of the entire currency would rise; and we could as well make a necessary addition to the lower currency rather than the gold one to relieve the tension of a shortage of circulating currency, according to the principle to be laid down here-in-after. But as there is to be no doubt that in a convertible currency bullion could neither sell much dearer nor cheaper in the market than the Mint price, because in the first case the gold coins would by themselves be used up and with-drawn from circulation on a slightly increased demand of bullion in the market; while the second case is evidently impossible that gold should sell cheaper than the Mint price; therefore we would see that any supposed advantage of bi-metallism can be equally well obtained by a Free Minting rigidly convertible gold currency together with a cheap secondary coinage, *if only we could in-*

crease the circulation of the latter in a probable contingency of the scarcity of gold bullion.

Such a contingency of the scarcity of gold may arise due to its lessened out-put or insufficient supplies to meet a corresponding increase in production or due to a mere tendency for hoarding bullion, but whatever the cause, the value of the whole currency would rise in the same proportion. Now as perfect divisibility is a most necessary and essential characteristic of any currency, and since the value of the least unit of coinage so long existing would have also appreciably risen in value, it would require still further division. And as lower and lower units of coinage would come into use, we would have a correspondingly larger absorption by the community of that lower coinage for carrying on its daily transactions. Of course, any additional issue of lower currency must not be made an occasion for profit by the State, for in order to keep up a rigidly convertible currency, a corresponding amount of bullion is to be necessarily kept in reserve. But there is also no doubt that due to a naturally greater absorption of the lower coin, that reserve would not be most likely demanded for reconversion into gold. However, as we said before we have no reason to be afraid of any general cheapening of prices in the borrower's or any body else's interest, although we are no doubt conscious of the utility of maintaining an stable standard of value so far as possible.

In the words of J. S. Mill, "the amount of goods and transactions being the same, the value of money

is inversely as its quantity multiplied by what is called the rapidity of circulation" [Mill : Pol. Eco. Book iii, chap. 8. § 3] and what would happen if both the amount of goods due to increased production, and the rapidity of transactions due to better communications, were to raise the value of money rather too much. By all means, greater divisibility of the coin would ensure against all other inconvenience excepting any change in the standard of value of money. Compare, for instance, the pre-machinery days with the present day, when the amount of marketable commodities has been so much multiplied ; and, remember, that all the goods placed on the market have been paid for in advance by some or the other capitalist producer in the wages of labour expended on them etc., and then they have been brought by some other merchant capitalists who have also paid in advance, before the goods are available for the consuming public, which constitutes even those labourers that helped in the production of the same goods. But with the greater demand for money, gold was also discovered correspondingly to increase its quantity ; and so attempts could be possible to continue to adapt to more or less a stable standard of value. But an unjust division of profit and abuse of monopoly turned the table in the usurer's interest ; and so we must lay down the principle by which alone any necessary addition must be made to the currency.

The principle must be that: "any necessary addition to the currency must invariably be made in the form of the wages of the most "productive" labour—

such as, by investment on land and irrigation development; and it must be made always in the smallest possible units of coinage which, of course, when they would no more be absorbed by the community would by themselves be automatically presented for reconversion into higher gold coins. Under all conditions the currency must be strictly convertible."

We have hardly any thing more to say except giving a few more remarks. The "elastic limit" of the English currency, which is represented by an amount of £ 18,450,000 called the "fiduciary issue," and beyond which all the notes issued by the Bank of England must be represented by an equal amount of gold, may have served at any rate one good purpose to England. And it is, that this issue of the inconvertible notes serves as an index by which it may be gauged at any time as to the quantity of bullion running in or out of the country; gives a "sure test of the influx and efflux of bullion upon which should fundamentally depend any variations of a metallic currency in a particular country," according to the Currency Theorists. But when we are talking of one international currency the necessity of this test falls to the ground. In the event of a suspension of the Bank Charter Act, when the issue of notes is made illimitable in the transactions of the Bank, it is to be interpreted as meaning that the country's currency has gone bankrupt in relation to meeting its foreign liabilities in bullion, and that the currency would henceforward be adopted to internal purposes or circulation within the country only. Here is an

example of the possibility of a totally paper currency, if fixed in amount under certain limits, when bullion would be turned into mere commodity.

We hope we may be pardoned for any astray remarks or unnecessary repetitions. Let us, however, recapitulate our deductions.

- (1) All the natural resources of a country, such as mineral, mine and forest produce must be subjected to our theory of State production, under guidance of the League of Nations.
- (2) There should be a fixed amount of circulating currency so far as possible and if any necessary addition to it be made, it should be done strictly on the principle aforesaid. A fixed currency, to secure better economy and portability, may be a totally paper currency, no matter; or a strictly convertible paper currency may exist side by side to give the same advantages. The bi-metallic currency system is, no doubt, to be discarded as being of no useful service with its greatest difficulty of maintaining a fixed ratio between gold and silver.

For ought else, we would repeat that the true valuation of a country's existing currency would not merely depend on the amount of gold in that country, but on the relation of its strictly convertible currency to the average prices of food-stuffs reigning in that country.

Thus let the League of Nations issue its one-currency the world over.

APPENDIX.

NOTE I. *A practical scheme of equal-empluments for all State servants.*

We should first of all clearly grasp the idea involved in the distinction between the *minimum-wage-in-practice* as the result of Supply and Demand of labour and the wage of *minimum-comfort-to-be-aimed-at*, the latter being calculated to strike out an *average standard of living*. As the country's prosperity increases, *i.e.*, the value of money rises with the greater supply of the prime essentials of life that go to support labour, and which will be consequent on the "truly productive" employment of capital on land to counteract the Law of Diminishing Return, there would no doubt be a decline in the minimum wage of the labour, but with the general all-round cheapening of prices there must be still greater reduction in the *minimum-comfort-wage-to-be-aimed-at*. The two ends must be brought nearer, which would be the only true criterion of increasing prosperity—indeed, the two are only relative, call them the maxima and minima points on the curve of Life leading ultimately to chains of succeeding millenia, is it not? Well, we may leave the doubter to doubt or the calculating statesman to ponder over, but it must be evident to plain reason that with cheaper food-prices even a slight lowering or decrease in the labourer's minimum wage in all industries would lead to a correspondingly greater lowering of the maximum point, since a general all-round cheapening would secure the same average standard of comfort at a much reduced cost.

Keeping this rule in view, we can grade up the emoluments of State servants between the two limits, as the Government of a community must be held responsible for effecting an average and most uniform standard of living. Our duty, therefore, must be to curtail higher salaries than the wage of minimum comfort, and to try to bring the actual-minimum-wage-in-

practice to the same level—thus to apply preventive checks on both sides—to counteract the competitive effect on society and hence too much unequal-levelling and out-distancing.

Let us make a concrete example, taking the case of India. In Government service a constable or peon gets the least, say 20/Rs. p. m. Now, the wage of minimum comfort by which an educated man can certainly support a biggest joint-family with no great inconvenience—of course, without needing to hoard money—may be taken at, say Rs. 200/-. The check on the former, *i.e.*, those drawing higher salaries than Rs. 200/- can be automatically applied—from the highest minister down. Only their privileges can be differently marked. For instance, the ministers may be pensioned on minimum-comfort-wage after their term of office for the rest of their life. Similarly, the higher services may be pensionable after a fixed scale of time according to the rank. Again, differentiation must be made in the matter of leave-rules, such as the higher services may enjoy a longer period of casual leave every year than lower services. The other items can be in the matter of equipment during term of employment only. If the minister must keep his status of a well-furnished residence or a personal staff or a car—that must be provided by the State for State purposes only. If he must appear in a certain uniform or particular costumes, it must be charged for from the State coffers, and so on. Even the privileges for travelling as a source of recreation on the State account, or say, a separate allowance for the provision of a private library or of other readings matter, may be included on the list, and graded up.

Now about the relation of minimum-wage-in-existence to minimum-comfort-wage, we may proceed on the following steps in the intervening time until the prosperity of the country generally so increases to the level that the minimum wage becomes naturally the

minimum-comfort-wage—which would be the only test of a millenium, remember that.

Let us first in a broad way divide the various services into the following groups according to the degree of intellectuality required from each:—

- (1) The lowest unit—such as the peon or constable—illiterate class.
- (2) The posts of clerkships etc. requiring only *vernacular middle* education.
- (3) The posts requiring a High School education—*i.e.*, the same standard as vernacular middle but with a foreign language, such as English.
- (4) An University education—for this we will consider an ordinary graduate to be capable of best intellectual work and hence the highest unit.

Of course, we must open all the recruitment for various services in all departments to open competition, allowing equal opportunity to all. Next, all posts must be put on an increasing scale of salary, which will serve as an impetus as well as reward. It may happen at times that an older servant of a lower grade may be more highly paid and nearer to the minimum-comfort-wage than the one newly-recruited in a higher grade. But, not only the initial wages of the various grades must be graded, but their regular-increment-scale must also be, as well as their other privileges of pension and leave rules.

For instance, on further working out our example as follows:—

The lowest-grade salary may begin at Rs.20/- p.m. and rise by a regular annual increment of Rs. 5/—the post being pensionable after 30 years' service and so on about leave and other rules. The next higher

grade men may begin at Rs. 40/- p. m. with a rising-scale of Rs.8/- annually, and pensionable after 25 years. The third higher grade men may begin at 60 Rs. with a rising scale of Rs. 10/- p. m. and pensionable after 20 years. The fourth higher grade men may begin at Rs.100/- with Rs.15/- annual increment and pensionable after 10 years.

Of course, the maximum attainable salary is Rs.200. Beyond this last unit or standard, we may make further differentiations in the privileges, leave and pension rules etc. according to the rank and position.

Now before closing up, let us clearly mark out some of the brightest features and outstanding advantages of such a scheme.

Firstly, as we have already emphasised, it will create a certain average standard of comfort best adapted to the preservation of human body and it will be most uniformly shared and participated in by the greatest possible number. Beyond that standard of bodily-comfort, differentiation will be marked in greater honour or leisure afforded than any thing else.

Secondly, at present, the Government practically purchases its employes' honesty by money—then will it be more by sense of honour. Here we must also dispel any such doubt that may be raised in connection with the lowest grade servants that the high salaries earned by them towards the end of their career would "puff up" their minds and make them inefficient. Well, we should be inclined to think just the contrary, and hope we would be forgiven for even going to the length of putting this down as an uncharitable judgment on your part about others with whom you cannot feel and as naturally symptomatic of the venom distilled in your mind of "inequality" and that it would be a passing phase until one has actually realized that "Labour is sacred". And then, who would not vouchsafe having met with cases of humblest of State-

servants more conscientious of their duties, more faithful and loyal to their charge but after all retiring on a mere pittance of sustenance from the Government, and who can deny that a chain is no stronger than its weakest link and so the trust of a Government must be secure in the hands of its lowest representatives as well as the highest ?

Again, the fact that grabbing tendencies would be better checked by regular-increment-scale even for the sake of efficiency of Government work may be illustrated by a true instance that the present writer remembers having been told him by a learned Professor of his:—

“ An Undersecretary of a certain department of English Government was very assiduous at his work, and always worked overtimes and kept his office up-to-date—all in order to gain in the good favours of the ministry and thus to make for a further promotion. The result was at last that he grew very impatient; although still worked himself to death. One day, a certain Italian Consul casually questioned him on the point as to why he was always working more than the rest of them and overworking. Thereupon the Undersecretary bewailed his bad lot before him, and lo! the mystery of his bad luck was laid bare to him by the Consul explaining that his hard work was just the reason why he was not given promotion, because his superiors had the sense to be reasonably afraid that by giving him a promotion they would miss a capable and unreplaceable assistant, and so discreetly followed the “ You are good where you are ” rule so far. He further advised him to have recourse to a more dependable passport to success and it was that he should next try to make overtures for the hand of a certain niece of a cabinet minister, in which if he would succeed, his object too would have been gained so soon. Well, fortunately for the worthy Undersecretary he succeeded in his object well within a week and two birds were killed with a single stone ”.

Now, what for would have been that cringing desire for promotion if regular increments were assured to him up to the highest point without a corresponding elevation of his rank?

It would be worth our while now also to consider what would be the ultimate state of things, when the two ends would have met, and so we may well imagine the picture of the consequent millenium. All State servants will draw the minimum wage, which will also be the minimum-comfort-wage. Now any State servant would know that by leaving service of the State he will be easily able to earn more elsewhere, for it would not otherwise be the minimum in State service. Hence it would *no longer be any temptation* for any body to seek Government service, except perhaps for the sake of greater honour or esteem in which a particular post may be held. Thus, it would be clear from this that no special hereditary privilege need be given to the children or descendants of any Government servants from the fact of their birth or lineage—and so we would be saved from the repetition of the gravest error into which the old Indo-Aryan machinery of Government and hence the civilization also fell, by first breaking the rule of minimum wage on the part of the high monopolising ministers and then by their claiming hereditary privileges—indeed, the fall of society begins when its highest leaders suffer a fall in their nature!

NOTE II. *The limits of capitalisation of private industry and decentralisation of capital.*

Man becomes civilised as more and more he recognises the value of fixed capital in production. Capital we know is a necessary concomitant of every trade and profession, more or less, from the lowest to the highest—that is no doubt too true; but when that same capital assumes the enormous power of the machinery-giant with its multiplying-function, it be-

comes unsafe in private hands and there begins the downward decline of civilization until that capital is decentralised once more and the cycle completed. We may quote Manu, the Indo-Aryan law-giver from its English rendering by no less a reliable authority on the subject than Babu Bhagwan Das,

सर्वा करेष्वधीकारो महा.यन्त्र प्रवर्तनम् ।

आत्मार्थं च क्रियारम्भो-नास्तिक्यं चोपपातकम् ॥

Manu, xi, 63, 64, 66.

“ The starting and working of great machines and factories and also of mines, etc., by individuals, is one of the sins that rank next after the heinous ones (an Upa-pataka). Again, we may take another English rendering by the same learned pen from Mahābhārata (Shanti, Chap. XXV).

यज्ञाय सृष्टानि धनानि धाता यज्ञादसृष्टः पुरुषो रक्षिता च ।

तस्मात्सर्वं यज्ञएवोपयोऽयं धनं न कामाय हितं प्रशस्तम् ॥

एतत्स्वार्थेन क्रीतेयं धनं धनवतां वरं ।

धाता ददाति मुक्तैर्भ्यो यज्ञार्थमिति विद्वितम् ॥

“Manu’s Vaishya gathers and holds wealth only for the use of others, not for his own luxury; and if he should start factories using machinery, it should be not in the individualist but the co-operation spirit, as if it were a State-business, not his own.” “So only will the evils of machinery be avoided”, adds the learned author in his book, “The science of social organisation or The Laws of Manu”.

Thus, we may limit a certain capital-value—say, that which could be utmost afforded by a person having the income of minimum-comfort-wage—beyond which all private concerns should pass to State-ownership; and this could be easily done by the application of our Loan theory, since as we have generally that concerns capitalised above a certain value are “limited liability” companies of which the

subscribed shares could be easily paid back by double the recurring dividends, there would thus be no difficulty for the State to assume charge of all such concerns. Any private capitalisation in trade need not be combated by the State, as we have shown before, it is a middleman's work of distribution only, and again any capitalistic monopoly in that direction too could be easily overcome by the opening of Co-operative stores in each place at first to be subscribed by public money and patronised by the public, but that too afterwards passing to State control and ownership as its share-money might be redeemed by its dividends declared, and after which they would be like State-shops, impossible to compete with any private capitalistic enterprise. Of course, business on a small scale, as we say "within certain limits", whether relating to trade or production, should always be left for private competition—as before, and no change need be introduced in our present state of affairs.

Another point, here, we should make clear, and that is, whether the State by owning large industrial concerns would invest its "risk capital" or not—for we should bear in mind the fact that these ~~are~~ besides fixed-capital we have to lay out some more—which may be called risk-capital—for instance, goods are manufactured long before they may be in demand, and for such how far would the State bear the burden of risk? Well, we think the question, first of all, might be left to the controlling department of the State to judge, which would also try to help private industry by grants-in-aid and other expert advice, and then, as we have said, even the concerns under State-production could freely invite any more private investment of money, subject of course to the Loan theory, provided the investors might be forthcoming.

NOTE III. *The Question of time in the Loan* y.

	Rate of interest per mensem.		Rate of interest per annum.		Time taken in payment.
[1]	½ per cent ...		3 per cent		66½ years
[2]	½ per cent ...		6 per cent		33½ years
[3]	¾ per cent ...		9 per cent		22½ years
[4]	1 per cent ...		12 per cent		16½ years
[5]	1½ per cent ...		15 per cent		13½ years
[6]	1½ per cent ...		18 per cent		11½ years
[7]	2 per cent ...		24 per cent		8½ years

Now all this above table would show that there is nothing impractical about it for all purposes of a life-time's schemings, except perhaps a change of heart on our part. The rate of interest can certainly be varied according to the credit of the borrower or the risk of the lender. And, whenever the creditor's regular payment of interest be in doubt, he can have recourse to the ordinary law as formerly, when the debt could be recoverable from the borrower's assets.

Let us next make it quite clear that the rule is for the debtor not to pay in any case more than double the loan contracted, so that if he may have already paid something in interest, it is open to him to either compound the double of the loan, or to pay it down on the old system with the interest upto date: whichever be the cheaper way for him. For instance, suppose A borrows 100 Rs. from B on a certain rate of interest. Now, after a certain time if he would have already paid more than 100 Rs. by way of interest, he could clear off his debt by compounding the balance from 200 Rs., but if he might have paid less than

10. by that time he could clear off his debt, as at present, by paying back the borrowed money, i. e., 100 Rs. *enmasse* and be done with it. The latter method would apply generally to all short duration loans, but the choice between the two must be left open to the debtor, while the contracting parties can only settle the rate of interest.

Again, if any interest-bearing deed of agreement be transferred from one hand to another, its valuation at the time of transaction can be made on the above principle and then a slight discount or premium may be given depending on the good honour of the deed, whereas there will not be much room for speculation as these days. For instance, the shares of a company subject to State-production may be put out for sale, then since their face-value according to our rule would evidently be double their issue-value less by the dividends already paid on it, the prospective purchaser may offer a little premium or claim discount according to the conditions of investment, but that will be practically inappreciable, whereas all the grabbing of the share-market would cease for good and all. In case the two parties agree, the interest at any time, if not paid down, may be added to the capital and would then give added interest, or call it compound interest. Such as, in case of any investment on railways if the Company declares dividends after a few years it had taken loan on a certain rate of interest payable yearly, then with the good will of its creditors it may add the interest due every year to the capital as further loan, but it must always be payable on the same system of instalment payment by broken interest—call it compound or simple.